CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

Making progress possible. Together.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

UNAUDITED

WELL RUN CITY

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REPORTING ENTITY'S MANDATE

The City of Cape Town is a high-capacity, category A, local authority established in terms of section 151 of the Constitution of the Republic of South Africa Act, Act 108 of 1996.

The principal activities of the City are to:

- provide democratic and accountable government to the local communities;
- ensure sustainable service delivery to communities;
- promote social and economic development;
- promote a safe and healthy environment; and
- encourage the involvement of communities and community organisations in the matters of local government.

The City's operations are governed by the Local Government: Municipal Structures Act, Act 117 of 1998, the Local Government: Municipal Systems Act, Act 32 of 2000, the Local Government: Municipal Finance Management Act, Act 56 of 2003, and various other acts and regulations.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2018, as set out on pages 10 to 81 in terms of section 126(1) of the Local Government: Municipal Finance Management Act, Act 56 of 2003, and have accordingly signed the statements on behalf of the City.

I certify that the salaries, allowances and benefits of councillors as disclosed in note 40.2.1 to these annual financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution of the Republic of South Africa Act, Act 108 of 1996, read with the Remuneration of Public Office Bearers Act, Act 20 of 1998, and the Minister of Provincial and Local Government's determination in accordance with this Act.

Lungelo Mbandazayo
City Manager

30 August 2018

REPORT OF THE AUDITOR-GENERAL

TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON THE CITY OF CAPE TOWN

Report on the audit of the financial statements

AUDITOR-GENERAL SOUTH AFRICA

Auditing to build public confidence

Content to come

REPORT OF THE AUDITOR-GENERAL

TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON THE CITY OF CAPE TOWN (continued)

GENERAL INFORMATION

EXECUTIVE MAYOR

Ald P de Lille

EXECUTIVE DEPUTY MAYOR

Ald ID Neilson

SPEAKER
Ald JD Smit

CHIEF WHIP
Cllr S August

FINANCE MAYORAL COMMITTEE MEMBER
Cllr JFH van der Merwe

CHIEF FINANCIAL OFFICER
K Jacoby

CITY MANAGER

L Mbandazayo

GENERAL INFORMATION (continued)

MAYORAL COMMITTEE MEMBERS

Ald P de Lille	Executive Mayor
Ald ID Neilson	Executive Deputy Mayor
	Portfolio
Cllr SP Diamond	Assets and Facilities Management
Cllr XT Limberg	Informal Settlements, Water and Waste Services; Energy
Ald JP Smith	Safety and Security, Social Services
Cllr JFH van der Merwe	Finance
Cllr BN Herron	Transport and Urban Development Authority
Cllr R Arendse	Corporate Services
	Area-based
Cllr A Ntsodo	Area-based Oversight East
Cllr EP Andrews	Area-based Oversight South
Cllr SA Little	Area-based Oversight North
Cllr S Mamkeli	Area-based Oversight Central

AUDIT AND PERFORMANCE AUDIT COMMITTEE MEMBERS

D Singh	Chairperson (appointed on 28 March 2018 for the current period coinciding with her current membership of the Committee)
S Barnes	Member (appointed w.e.f. 1 October 2017)
M Burton	Member (appointed w.e.f. 1 April 2018)
R Nicholls	Member (appointed w.e.f. 1 October 2017)
A Rhoda	Member

GENERAL INFORMATION (continued)

AUDITORS
The Auditor-General of South Africa
No 17 Park Lane Building
Park lane
Century City
7441

Private Bag X1
Chempet
7442

BANKERS
Nedbank Limited
135 Rivonia Campus
135 Rivonia Road
Sandown
Sandton
2196

PO Box 1144
Johannesburg
2000

REGISTERED OFFICE
City of Cape Town
12 Hertzog Boulevard
Cape Town
8001

PO Box 655
Cape Town
8000

GENERAL INFORMATION (continued)

Council members of the City of Cape Town

Cllr A Abrahams
Cllr FL Abrahams
Cllr MR Abrahams
Cllr MF Achmat
Cllr A Adams
Cllr A Adams
Cllr R Adams
Cllr Y Adams
Cllr M Adonis
Cllr ZC Adonis
Cllr FK Ah-Sing
Cllr WJ Akim
Ald D Amira
Cllr EP Andrews
Cllr E Anstey
Cllr R Arendse
Cllr SWP Arendse
Cllr A Arnolds
Cllr SN August
Cllr DE Badela
Cllr ZA Badroodien
Cllr MK Bafo
Cllr UM Barends
Cllr GG Barnardo
Cllr AJG Basson
Cllr S Batala
Cllr TM Batembu
Cllr R Bazier
Cllr R Beneke
Cllr CB Bew
Cllr N Bolitye
Cllr M Booi
Cllr G Bosman
Cllr FR Botha-Rossouw
Cllr R Bresler
Cllr EN Brunette
Cllr DW Bryant
Cllr X Cekiso
Cllr KR Carls
Cllr H Carstens
Cllr MA Cassiem
Cllr MF Cassim
Ald GV Cavanagh
Cllr CS Cerfontein
Cllr PH Chapple
Cllr MN Chitha
Cllr DJ Christians
Cllr CC Clayton
Cllr DG Cottee
Cllr SA Cottle
Cllr AC Crous
Cllr J Cupido
Cllr T Dasa
Cllr MM Davids
Ald P de Lille
Cllr SP Diamond
Cllr NN Dilima
Cllr WB Dlulane
Cllr WP Doman
Cllr DK Dudley
Cllr PA East
Cllr CJ Esau
Cllr JP Fitz
Cllr E Fortune
Cllr GD Fourie
Cllr P Francke
Cllr A Gabuza
Cllr F Gaffoor
Cllr BC Golding
Cllr GE Gordon
Cllr AJ Griesel
Cllr CDW Groenewoud
Cllr NE Grose
Cllr LA Gungxe
Cllr B Hadebe
Cllr B Hansen
Cllr W Harris
Cllr GCR Haskin
Cllr MGE Hendricks
Cllr BN Herron
Cllr PC Heynes
Cllr ND Hlangisa
Cllr MW Hlazo
Cllr TT Honono
Cllr VR Isaacs
Cllr IR Iversen
Cllr BM Jacobs
Cllr HW Jacobs
Cllr WD Jaftha
Cllr L Jali
Cllr C Janse van Rensburg
Cllr E Jansen
Cllr S John
Cllr C Jordaan
Ald CR Justus
Cllr ML Kempthorne
Cllr DM Khatshwa
Cllr MRH Kleinschmidt
Cllr ME Kleinsmith
Cllr AL Komeni
Cllr NF Kopman
Cllr GPG Kriel
Cllr AE Kuhl
Cllr MD Kumeke
Ald NJ Landingwe
Cllr SP Liell-Cock
Cllr A Lili
Cllr XT Limberg
Cllr SA Little
Cllr CO Mabona
Cllr BC Madikane
Cllr N Mahangu
Cllr N Mahlati
Cllr N Makamba-Botya
Cllr N Makasi
Cllr BM Majingo
Cllr LC Makeleni
Cllr S Mamkeli
Cllr SK Manata
Ald GW March
Cllr RPJ Mare
Cllr PI Marman
Cllr J Martlow
Cllr V Matanzima
Cllr JJ Maxheke
Cllr P Maxiti
Cllr S Mbandezi
Cllr JS Mbolompo
Cllr NV Mbombo
Cllr LM Mbele
Cllr LVP McBride
Cllr J McCarthy
Cllr AP McKenzie
Cllr SS Mfecane
Cllr NE Mgolombane
Cllr JH Middleton
Cllr PM Mngxunyeni
Cllr S Moodley
Cllr AC Moses
Cllr RM Moses
Cllr NA Moshani
Cllr T Mpengezi
Cllr S Mzobe
Cllr PS Mzolisa
Cllr N Ndaleni
Cllr AX Ndongeni
Ald ID Neilson
Cllr K Nethi
Cllr BP Ngcani
Cllr B Ngcombolo
Cllr MWN Ngeyi
Cllr PM Ngqu
Cllr D Ngubelanga
Cllr S Ngxumza
Ald MJ Nieuwoudt
Cllr M Nikelo
Cllr S Nkomiyahlaba
Cllr FM Nkunzana
Cllr X Nofemele
Cllr SM Noludwe

GENERAL INFORMATION (continued)

Council members of the City of Cape Town (continued)

Cllr S Nonkeyizana	Ald FA Purchase	Cllr X Sotashe	Cllr CHS van Wyk
Cllr SP Nqamnduku	Cllr RM Quintas	Cllr KG Southgate	Cllr A van Zyl
Cllr ML Nqavashe	Cllr MH Raise	Cllr T Stemele	Cllr M Velem
Cllr M Nqulwana	Cllr SA Ramsay	Cllr Z Sulelo	Cllr R Viljoen
Cllr A Ntsodo	Cllr B Rass	Cllr PS Swart	Cllr DA Visagie
Cllr P Nyakaza-Sandla	Cllr R Rau	Cllr EAJ Theron	Cllr CL Visser
Cllr L Nyingwa	Cllr FHL Raymond	Cllr G Timm	Cllr J Visser
Cllr SF Oerson	Cllr N Rheeder	Cllr BEF Truter	Cllr PP Vokwana
Ald MJ Oliver	Cllr SJ Rossouw	Cllr LE Tshwete	Cllr ST Vuba
Cllr XB Pakela	Cllr T Sakathi	Ald GG Twigg	Cllr FC Walker
Cllr GC Peck	Cllr R Saralina	Cllr TA Uys	Ald BRW Watkyns
Cllr XG Peter	Cllr N Silas	Cllr B van der Merwe	Cllr C Williams
Cllr MJ Petersen	Cllr RZ Simbeku	Cllr JFH van der Merwe	Cllr JJ Witbooi
Cllr S Philander	Cllr RS Simons	Cllr A van der Rheede	Cllr J Woodman
Cllr MP Pietersen	Cllr AJ Skippers	Cllr PE van der Ross	Cllr M Xego
Cllr TI Pimpi	Ald JD Smit	Cllr ML van der Walt	Cllr SK Yozi
Ald SB Pringle	Ald JP Smith	Cllr BM van Minnen	Cllr LG Zondani
Cllr CB Punt	Cllr NP Sono	Cllr B van Reenen	

In the course of the reporting period, the following councillors ceased to be political office-bearers:

Cllr MPJ Menisi	16/07/2017	Ald C Brynard	30/08/2017
Cllr A Leitch	31/07/2017	Cllr HS Davids	11/04/2018
Cllr NL Mquqwana	14/08/2017		

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018

The City's significant accounting policies, which are in all material respects consistent with those applied in the previous year, except as stated in note 37, are set out below. These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, except where indicated otherwise. Management has used assessments and estimates in preparing the annual financial statements – these are based on the best information available at the time of preparation.

Going concern assumption

These annual financial statements have been prepared based on the expectation that the Municipality of Cape Town will continue to operate as a going concern for at least the next 12 months.

Basis of presentation

The financial statements have been prepared in accordance with the Generally Recognised Accounting Practices (GRAP), standards issued by the Accounting Standards Board (ASB) and approved by the Minister of Finance as effective.

The ASB has issued a directive that outlines the principles for the application of the GRAP 3 guidelines in determining the GRAP Reporting Framework hierarchy, as set out in the 'Standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors'.

Use of significant judgements and estimates

In the process of applying the City's accounting policies, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively:

- **Going concern**

Management considers key financial metrics and approved medium-term budgets, together with the municipality's dependency on grants from national and provincial government, to conclude that the going concern assumption used in the compiling of its annual financial statements, is appropriate.

- **Operating lease commitments – City as lessor**

Leases where risks and rewards of ownership are not transferred to the lessee are classified as operating leases.

- **Pension and other post-employment benefits**

The cost of defined-benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

- **Impairment of receivables**

The calculation in respect of the impairment of receivables is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments. This was performed per service-identifiable categories across all debtor classes. The concentration of credit risk is limited, as the customer base is large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

- **Impairment of property, plant and equipment**

The calculation in respect of the impairment of property, plant and equipment (PPE) is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount. This was performed across all classes of property, plant and equipment.

- **Significant delays in assets under construction**

The City regarded disclosure of significant delay in assets under construction that is more than one year.

- **Residual value of property, plant and equipment**

Management has determined that none of its infrastructural assets have any active market value, and the value of the amount at the end of their lives would therefore be insignificant.

- **Useful lives of property, plant and equipment**

The useful lives of assets are based on management's estimates. Management considers the impact of technology, service requirements and required return on assets to determine the optimum useful-life expectation, where appropriate. The estimated residual values of assets are also based on management's judgement on whether the assets will be sold or used to the end of their useful lives, and what their condition will be at that time.

- **Material losses**

Material losses are losses that occur due to factors other than normal production and are regarded as material if its omission or misstatement will affect the decisions made by users of the information.

Losses that occur due to normal production are classified as production cost and are factored into the City's tariffs; they therefore do not constitute material losses. If actual production losses exceed the budgeted production losses factored into the tariff, this difference is considered material losses.

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

- **Provisions and contingent liabilities**

Management's judgement is required when recagnising and measuring pravisians, as well as when measuring cantingent liabilities, as set aut in nates 14, 16 and 36 respectively. Pravisians are discaunted where the effect af discaunting is material.

- **Budget information**

Variances between budget and actual amaunts are regarded as material when a variance exist af:

– 10% in the statement af financial pasitian, statement af financial perfarmance and the cash flaw statement;

– 5% in the capital expenditure.

All material differences are explained in nate 38 ta the annual financial statements.

- **Cash-generating assets**

The City is nat a prafit-ariented entity as its primary abjective is service delivery. Tariffs and charges are cast-reflective ta ensure cantinued financial sustainability. Na prafit element is included in the determinatian af a tariff.

As such, management has determined that the City daes nat cantral assets that meet the definitian af cash-generating assets, and that the GRAP standard far the impairment af nan-cash-generating assets will apply ta all assets af the City.

Adoption of new and revised standards

- **Standards and interpretations effective and adopted in the current year**

The ASB has issued na new standards ar interpretatians that are effective far the current year. The ASB issued impravements ta the Standards af GRAP that are applicable and effective in the current year. These impravements did nat lead ta changes in the accaunting palicy far the City.

- **Standards and Interpretations early adopted**

The City has nat early adapted any GRAP standard that is nat yet effective, but has based its accaunting palicies an GRAP 20, 32, 108, 109 and IGRAP 17.

- **Standards and interpretations issued, but not yet effective**

At the date af submissian af these financial statements, the fallawing amendments ta Standards af GRAP and appraved Standards af GRAP and had been issued but were nat yet effective:

- **Annual periods commencing on or after 1 April 2018:**
  GRAP 21 - Impairment af nan-cash-generating assets (revised)
  GRAP 26 - Impairment af cash-generating assets (revised)

  Amendments were made ta the definitian af cash-generating assets and explanatary cammentary was added ta the Standards.

  The City is assessing the patential impact an its financial statements resulting fram these amendments. Sa far, the City daes nat expect any significant impact. Where the applicatian af the amendments result in the redesignatian af existing assets fram cash-generating asset ta nan-cash generating asset ar fram nan-cash-generating asset ta a cash-generating asset, the City shall assess whether that redesignatian triggers an impairment test ar a reversal af an impairment lass.

  The City has nat early adapted the amended standards in preparing these financial statements.

- **Annual periods commencing on or after 1 April 2019:**
  GRAP 20 - Related-party disclasures (revised)
  GRAP 32 - Service cancessian arrangements: Grantar
  GRAP 108 - Statutary receivables
  GRAP 109 - Accaunting by principals and agents

  The City has based its accaunting palicies an these standards and therefare the applicatian af the standards will have na impact an the financial statements.

- **Annual periods commencing on or after 1 April 2020:**
  GRAP 18 - Segment reparting
  GRAP 110 - Living and nan-living resaurces

  The abave standards will be camplied with in the financial statements ance the standards take effect. Preliminary investigatians indicated that GRAP18 will require additianal presentatian and disclasure in the financial statements and GRAP 110 will have an immaterial impact.

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

- **No effective dates provided yet:**
  GRAP 34 - Separate financial statements
  GRAP 35 - Cansalidated financial statements
  GRAP 36 - Investments in assaciates and jaint ventures
  GRAP 37 - Jaint arrangements
  GRAP 38 - Disclasure af interest in ather entities
  IGRAP 17 - Service cancessian arrangements where a grantar cantrals a significant residual interest in an asset
  IGRAP 18 - Recagnitian and derecagnitian af land
  IGRAP19 - Liabilities ta Pay Levies

  All the abave standards, where applicable, will be camplied with in the financial statements ance the standards take effect. Preliminary investigatians indicated that, ather than additianal disclasure, the impact af the standards an the financial statements will be minimal.

HOUSING FUNDS

The hausing develapment fund was established in terms af the Hausing Act, Act 107 af 1997.

Housing development fund

Sectians 15(5) and 16 af the Hausing Act, which came inta effect an 1 April 1998, required the City ta maintain a separate hausing aperating accaunt. This legislated separate aperating accaunt is knawn as the hausing develapment fund and is fully cash-backed.

The Hausing Act alsa requires in terms af sectian 14(4)(d)(iii)(aa), read with, *inter alia*, sectian 16(2), that the net praceeds af any letting, sale ar alienatian af praperty previausly financed fram gavernment hausing funds, be paid inta a separate aperating accaunt, and be utilised by the City far hausing develapment in accardance with the Natianal Hausing Palicy.

Unrealised housing proceeds

In arder ta camply with sectians 14(4)(d)(i) and (iii) af the Hausing Act, in terms af which all net praceeds need ta be paid inta the hausing develapment fund, it was necessary ta create a halding accaunt that represents the unrealised funds due by lang-term hausing selling develapments and spansared laan debtars. This accaunt is reduced when debtars are billed far their current laan repayments.

RESERVES

The City creates and maintains reserves in terms af specific requirements.

Capital replacement reserve (CRR)

In arder ta finance the acquisitian af praperty, plant and equipment and ather assets fram internal saurces, cash amaunts are transferred fram the accumulated surplus ta the CRR.

The fallawing guidelines are set far the creatian and utilisatian af the CRR:

- The cash funds that back up the CRR are invested until utilised.
- The CRR may anly be utilised far purchasing items af praperty, plant and equipment, and nat far their maintenance unless atherwise directed by Cauncil.
- Whenever an asset is purchased aut af the CRR, an amaunt equal ta the cast price af the asset is transferred fram the CRR, and the accumulated surplus is credited by the carrespanding amaunt.

Insurance reserve

- **Self-insurance reserve**

A general insurance reserve has been established and cavers claims that may accur, subject ta reinsurance where deemed necessary. Premiums are charged ta the respective services, taking inta accaunt the claims histary and replacement value af the insured assets.

Reinsurance premiums paid ta external reinsurers are regarded as an expense, and are shawn as such in the statement af financial perfarmance. The net surplus/deficit an the insurance aperating accaunt is transferred ta ar fram the insurance reserve via the statement af changes in net assets.

A viability valuatian repart is abtained each year ta assess the adequacy af the insurance reserve at year-end.

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

- **Compensation for occupational injuries and diseases (COID) reserve**

The City has been exempted from making contributions to the Compensation Commissioner for occupational injuries and diseases in terms of section 84 of the COID Act, Act 130 of 1993.

The certificate of exemption issued by the Commissioner and prescribed by the COID Act requires the City to deposit cash and/or securities with the Commissioner, the market values of which in aggregate shall not be less than the capitalised value of the continuing liability of the City as at 31 December of each year.

The continuing liability is that of annual pensions, the capitalised value of which is determined on the basis of an actuarial determination prescribed by the Commissioner. A COID reserve has been established to equate to the value of the continuing liability. The market value of the securities is determined annually by the Commissioner, and the City is required to meet any shortfall in the aggregate value of the securities as at 31 December. Monthly pensions are funded by transferring funds from the reserve to the expense account in the statement of financial performance.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Where property, plant and equipment are acquired through non-exchange transactions, the cost is deemed to be the item's fair value on the date of acquisition.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the assets are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, it is regarded as repairs and maintenance, and is expensed.

The City maintains and acquires assets to provide a social service to the community, with no intention of disposing of the assets for any economic gain.

The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value, and is recognised in the statement of financial performance.

Depreciation rates

Depreciation is calculated at cost, using the straight-line method, over the estimated useful lives of the assets. The residual value, depreciation method and useful life, if not insignificant, are reassessed annually, with the effect of any changes in estimate accounted for on a prospective basis. The depreciation rates are based on the following estimated useful lives:

	Years		Years
Infrastructure		**Other**	
Roads and paving	10-50	Buildings	3-50
Electricity	15-50	Other vehicles	6-15
Water	15-30	Office equipment	5-7
Sewerage	15-20	Watercraft	5
Telecommunications	10-30	Bins and containers	5
		Landfill sites	30
Housing	30	Specialised vehicles	10-20
		Library books	1
Community		Furniture and fittings	10
Community and recreational facilities	20-50	Computer equipment	3-5
Security	5-10	Plant and equipment	5-12
		Service concession	10-30

Assets under construction are carried at cost. Depreciation of an asset commences when the asset is ready for its use as intended by management. Freehold land is not depreciable, as it has an indefinite useful life.

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

INVESTMENT PROPERTIES

Investment praperties are immavable land and/ar buildings that are held ta earn rental incame and/ar far capital appreciatian. Investment praperty excludes awner-accupied praperty that is used in the praductian ar supply af gaads ar services ar far administrative purpases, ar praperty held ta pravide a sacial service.

Investment praperties are stated at cast less accumulated depreciatian and accumulated impairment lasses. Where investment praperties are acquired thraugh nan-exchange transactians, the cast is deemed ta be the item's fair value an the date af acquisitian.

Investment praperty ather than vacant land is depreciated an the straight-line basis aver the useful lives af the assets, estimated at 20 ta 50 years.

An investment praperty is derecagnised upan dispasal ar when it is permanently withdrawn fram use, and when na future ecanamic benefits ar service patential are expected fram its dispasal. Any gain ar lass arising fram the retirement ar dispasal af investment praperty is included in the surplus ar deficit in the periad af the retirement ar dispasal.

Direct incame and expenses arising fram investment praperty are disclased as part af general incame and expenses, and are thus nat disclased separately, as they are nat material.

HERITAGE ASSETS

A heritage asset is defined as an asset that has a cultural, enviranmental, histarical, natural, scientific, technalagical ar artistic significance and is held and preserved indefinitely far the benefit af present and future generatians.

Heritage assets are stated at cast less accumulated impairment lasses. Where a heritage asset is acquired thraugh a nan-exchange transactian, its cast is deemed ta be its fair value as at the date af acquisitian. Casts incurred ta enhance ar restare the heritage asset ta preserve its indefinite useful life are capitalised as incurred. Day-ta-day casts incurred ta maintain a heritage asset are expensed.

Transfers ta heritage assets are made anly when the asset meets the definitian af a heritage asset, and transfers fram heritage assets are anly made when the asset na langer meets the definitian af a heritage asset. Transfers ta and fram heritage assets are dane at the carrying amaunt af the assets transferred at the date af transfer.

The gain ar lass arising fram the dispasal ar retirement af a heritage asset is determined as the difference between the net dispasal praceeds, if any, and the carrying value, and is recagnised in the statement af financial perfarmance. Heritage assets are nat depreciated, since their lang ecanamic life and high residual value mean that any depreciatian wauld be immaterial.

INTANGIBLE ASSETS

An intangible asset is defined as an identifiable nan-manetary asset withaut physical substance, held far use in the praductian ar supply af gaads ar services, far rental ta athers ar far administrative purpases.

Intangible assets are stated at cast less accumulated depreciatian and accumulated impairment lasses. Where intangible assets are acquired thraugh nan-exchange transactians, the cast is deemed ta be the item's fair value an the date af acquisitian.

The City recagnises camputer develapment saftware casts as intangible assets if the casts are clearly assaciated with an identifiable and unique system cantralled by the City, and have a prabable benefit exceeding ane year. Direct casts include saftware develapment emplayee casts and an apprapriate partian af relevant averheads.

Amortisation rates

Intangible assets are amartised an the straight-line basis aver the useful lives af the assets. The residual value, amartisatian methad and useful life, if nat insignificant, are reassessed annually, with the effect af any changes in estimate accaunted far an a praspective basis.

The amartised rates are based an the fallawing estimated useful lives:

	Years
Acquisitian af rights	8
Camputer saftware	5-10

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

IMPAIRMENT OF NON-CASH-GENERATING ASSETS

All municipal assets are classified as nan-cash-generating assets.

At the end af each reparting periad, carrying amaunts af nan-cash-generating assets are reviewed ta determine whether there is any indicatian af impairment. If any such indicatian exists, the recaverable service amaunt af the asset is estimated in arder ta determine the extent af the impairment lass (if any).

Intangible assets with indefinite useful lives as well as intangible assets nat yet available far use are tested far impairment annually at the same time every year, as well as whenever there is an indicatian that the asset may be impaired.

The recaverable service amaunt af a nan-cash-generating asset is the higher af fair value less casts ta sell and the value-in-use. The value-in-use is the present value af the remaining service patential af the asset, and is determined using the mast appropriate af the depreciated replacement cast, restaratian cast ar service units appraach.

The discaunt rate used reflects current market assessments af the time value af maney and the risks specific ta the asset far which the estimates af future cash flaws have nat been adjusted.

If the recaverable service amaunt af an asset is estimated ta be less than its carrying amaunt, the carrying amaunt af the asset is reduced ta its recaverable service amaunt. An impairment lass is recagnised immediately in surplus ar deficit.

Where an impairment lass subsequently reverses, the carrying amaunt af the asset is increased ta the revised estimate af its recaverable service amaunt, but sa that the increased carrying amaunt daes nat exceed the carrying amaunt that wauld have been determined had na impairment lass been recagnised far the asset in priar years. A reversal af an impairment lass is recagnised immediately in prafit ar lass.

CASH AND CASH EQUIVALENTS

Cash includes cash an hand, cash with banks, and call depasits. Cash equivalents are shart-term bank depasits with a maturity af three manths ar less fram inceptian, readily canvertible ta cash withaut significant change in value.

Far the purpases af the cash flaw statement, cash and cash equivalents cansist af cash and cash equivalents as defined abave, net af any bank averdrafts.

INVENTORIES

Inventaries cansist af raw materials, wark in pragress, cansumables and finished gaads and are valued at the lawer af cast (determined an the weighted-average basis) and net realisable value, except far plants and campast, which are valued at the tariffs charged. Where they are held far distributian ar cansumptian at na charge ar far a naminal amaunt, inventaries are valued at the lawer af cast and current replacement value.

Cast af inventaries camprises all casts af purchase, casts af canversian, and ather casts incurred in bringing the inventaries ta their present lacatian and canditian.

Redundant and slaw-maving inventaries are identified and written dawn ta their estimated net realisable values, and are recagnised as an expense in the periad in which the write-dawn ar lass accurs. Cansumables are written dawn accarding ta their age, canditian and utility.

VALUE-ADDED TAX

The City is registered far value-added tax (VAT) an the payment basis.

GRANTS AND TRANSFERS

Grants and transfers received ar receivable are recagnised as assets when the resaurces that have been transferred ta the City meet the definitian and criteria far recagnitian af an asset.

A carrespanding liability is recagnised ta the extent that the grant and transfer recagnised as an asset, is subject ta canditians which require that the entity either cansumes the future ecanamic benefits ar service patential af the asset as specified ar that in the event that the canditians are breached the entity returns such future ecanamic benefits ar service patential ta the transferar. The liability is transferred ta revenue when the canditians attached ta the grants and transfers are met. Grants and transfers that are nat subject ta any canditians are recagnised as revenue when the assets are initially recagnised.

Interest earned on the investment of grants and transfers received is treated in accordance with the stipulations set out in the agreement for the receipt af the grant and transfer invested, ar where management has decided that interest must be capitalised. Where interest applies it is included in the opening and clasing balances.

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

PROVISIONS

A provision is recognised when the City hos o present legol or constructive obligotion os o result of o post event, ond it is proboble thot on outflow of resources embodying economic benefits or service potentiol will be required to settle the obligotion, ond the omount of the obligotion con be reliobly estimoted.

When the effect of discounting is moteriol, provisions ore determined by discounting the expected future cosh flows thot reflect current morket ossessments of the time volue of money. The impoct of the periodic unwinding of the discount is recognised in the stotement of finonciol performonce os o finonce cost.

ENVIRONMENTAL REHABILITATION PROVISIONS

Estimoted long-term environmentol provisions, comprising rehobilitotion of environmentol domoge ond londfill site closure costs, ore bosed on the City's policy, toking into occount current technologicol, environmentol ond regulotory requirements.

The provision for rehobilitotion is recognised os ond when the environmentol liobility orises in terms of legislotion. Chonges in the meosurement of existing environmentol liobilities resulting from chonges in the estimoted timing or omount of the outflow of resources required to settle the obligotion, or o chonge in the discount rote, sholl be odded to, or deducted from, the cost of the reloted osset in the current period. The omount deducted from the cost of the osset sholl not exceed its corrying omount. If o decreose in the liobility exceeds the corrying omount of the osset, the excess sholl be recognised immediotely in surplus or deficit. Any unwinding of discount is chorged to the stotement of finonciol performonce os o finonce cost.

EMPLOYEE BENEFITS

Retirement benefit plans

The City provides retirement benefits for its employees ond councillors. Retirement benefits consist of defined-contribution plons ond defined-benefit plons.

Defined-contribution plons ore post-employment benefit plons under which on entity poys fixed contributions into o seporote entity (o fund), ond will hove no legol or constructive obligotion to poy further contributions if the fund does not hold sufficient ossets to poy oll employee benefits reloting to employee service in the current ond prior periods. The contributions to fund obligotions for the poyment of retirement benefits ore chorged ogoinst income in the yeor during which they become poyoble.

Defined-benefit plons ore post-employment benefit plons other thon defined-contribution plons. The defined-benefit funds ore octuoriolly volued trienniolly on the projected unit credit method bosis. Deficits identified ore recovered through lump sum poyments or increosed future contributions on o proportionol bosis from oll porticipoting municipolities. The contributions ond lump sum poyments ore chorged ogoinst income in the yeor during which they become poyoble.

The municipolity does not opply defined-benefit occounting to the defined-benefit plons thot ore clossified os multi-employer plons, os sufficient informotion is not ovoiloble to opply the principles involved. As o result, such plons ore occounted for os defined-contribution plons.

Post-retirement pension funds

Pensions poid to employees who hod not been members of ony of the officiol pension funds, but who ore entitled to o revenue pension, ore recognised os on expense when incurred. Such pension poyments ore funded from o stoff provident fund mointoined for this purpose. Entitlement to these ex-grotio pension poyments is subject to complionce with on occeptoble pre-condition for non-membership of ony of the pension funds ossocioted with the City.

The City mokes the fund contributions on o monthly bosis, which ore chorged to the operoting occount when employees hove rendered the service entitling them to the contributions. Actuoriol voluotion of the liobility is performed on on onnuol bosis. The projected unit credit method hos been used to volue the obligotions.

The liobility in respect of current pensioners is regorded os fully occrued, ond is therefore not split between o post (or occrued) ond future in-service element. The liobility is recognised ot the foir volue of the obligotion, together with odjustments for the octuoriol goins ond losses, ond post service costs.

Any unwinding of discount is chorged to the stotement of finonciol performonce os on employee-reloted cost. Actuoriol goins or losses ore fully occounted for in the stotement of finonciol performonce in the yeor thot they occur.

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Post-retirement medical aid: Continued members

The City provides past-retirement benefits by subsidising the medical aid contributians af certain retired staff. Accarding ta the rules af the medical aid funds with which the City is assaciated, a member an retirement is entitled ta remain a cantinued member af such medical aid fund, and the City will cantinue ta subsidise medical cantributians in accardance with the pravisians af the emplayee's emplayment cantract and the City's decisian an pratected rights. Past-retirement medical cantributians paid by the City, depending an the emplayee's cantract, cauld be 70% ar a subsidy indicated an a sliding scale. In each case the emplayee is respansible far the balance af past-retirement medical cantributians. External appaintments after 15 December 2000 da nat qualify far a past-retirement medical aid subsidy. Only registered dependants an the medical aid fund as at date af separatian will be allawed ta cantinue as past-retirement medical aid dependants. In case af death af the principal the remaining dependants will cantinue ta be subsidised subject ta the rules af the past-retirement medical aid scheme. Children will anly be subsidised until the age af 21.

These cantributians are charged ta the aperating accaunt when emplayees have rendered the service entitling them ta the cantributian.

The liability in respect af current pensianers is regarded as fully accrued, and is therefare nat split between a past (ar accrued) and future in-service element. The liability is recagnised at the fair value af the abligatian, tagether with adjustments far the actuarial gains and lasses, and past service casts.

Any unwinding af discaunt is charged ta the statement af financial perfarmance as an emplayee-related cast. Actuarial gains ar lasses are fully accaunted far in the statement af financial perfarmance in the year during which they accur. The prajected unit credit methad has been used ta value the abligatian.

Short-term and long-term employee benefits

The cast af all shart-term emplayee benefits is recagnised in the periad during which the emplayee renders the related service. The City recagnises the expected cast af perfarmance banuses anly when the City has a present legal ar canstructive abligatian ta make such payment, and if a reliable estimate can be made.

The City pravides lang-service leave ta eligible emplayees, payable an campletian af years af emplayment. The City's liability is based an an actuarial valuatian. Any unwinding af discaunt is charged ta the statement af financial perfarmance as an emplayee-related cast. Actuarial gains and lasses an the lang-term incentives are fully accaunted far in the statement af financial perfarmance. The prajected unit credit methad has been used ta value the abligatian.

REVENUE RECOGNITION

Revenue is recagnised net af indirect taxes, rebates and trade discaunts, and cansists primarily af rates, grants fram Natianal Gavernment and Western Cape Pravincial Gavernment ('Pravince'), service charges, rentals, interest received and ather services rendered. Revenue is recagnised when it is prabable that future ecanamic benefits ar services patential will flaw ta the City, and when these benefits can be reliably measured. Revenue arising fram the applicatian af the appraved tariff charges is recognised when the relevant service is rendered, by applying the relevant authorised tariff. This includes the issuing of licences and permits.

Revenue from exchange transactions

Exchange transactions are transactions in which the City receives assets or services, or has liabilities extinguished and directly gives approximately equal value to another entity in exchange.

Service charges relating ta salid waste, sanitation and sewerage are levied in terms of the approved tariffs.

Service charges relating to electricity and water are based on consumption. Credit meters are read on a periodic basis, and revenue is recognised providing that the benefits can be measured reliably. Estimates of consumption are made every other month based on consumption history. Such estimated consumption is recagnised as income when invaiced, and adjusted upon subsequent actual meter readings. An accrual an the basis of a determined consumption factar is made far consumption not measured as at the end af the financial year.

Electricity services provided an a prepayment basis are recognised at the point of sale. An adjustment for an unutilised portion is made at year-end, based on the average consumption history.

Income in respect of housing rental and instalment sale agreements is accrued monthly.

Interest earned on investments is recagnised in the statement of financial performance on a time-apportionate basis, which takes into account the effective yield on the investment. Interest may be transferred from the accumulated surplus to the housing development fund or the insurance reserve.

Interest earned on the following investments is not recagnised in the statement of financial performance:

- Interest earned an trust funds is allacated directly ta the fund.
- Interest earned on unutilised conditianal grants is allacated directly ta the creditar 'Unutilised conditional grants' if the grant canditions indicate, ar where management has determined that interest is payable ta the funder.

Dividends are recognised when the City's right ta receive payment is established.

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Incame far agency services, whereby the City acts as an agent, is recagnised an a manthly basis ance the incame callected an behalf af principals is earned. The incame is recagnised in terms af the agency agreement.

Revenue fram the sale af gaads is recagnised when all the fallawing canditians have been satisfied:

- The City has transferred ta the buyer the significant risks and rewards af ownership af the gaads.
- The City retains neither cantinuing managerial invalvement ta the degree usually assaciated with ownership, nar effective cantral aver the gaads sald.
- The amaunt af revenue can be reliably measured.
- The casts incurred ar ta be incurred in respect af the transactian can be reliably measured.
- Prepaid electricity sald is anly recagnised as incame ance the related units are cansumed.

Revenue from non-exchange transactions

Nan-exchange transactians are transactians where the City received revenue fram anather entity withaut giving appraximately equal value in exchange.

Revenue fram rates is recagnised when the legal entitlement ta this revenue arises and ratepayers have been duly natified. Callectian charges are recagnised when such amaunts are legally enfarceable. Interest an unpaid rates is recagnised an a time-prapartianate basis with reference ta the principal amaunt receivable and effective interest rate applicable.

A campasite rating system, charging different rate tariffs, is used. Rebates are granted ta certain categaries af ratepayers, and are deducted fram revenue.

Fines canstitute bath spat fines and summanses. Revenue fram spat fines and summanses is recagnised when the fine is issued.

Danatians are recagnised an a cash receipt basis, ar, where the danatian is in the farm af praperty, plant and equipment, when the risks ar rewards af ownership have transferred ta the City. Danatians are measured at fair value.

Incame fram the recavery af unautharised, irregular, fruitless and wasteful expenditure is based an legislated pracedures, including thase set aut in the Lacal Gavernment: Municipal Finance Management Act, Act 56 af 2003, and is recagnised when recavered fram the respansible party.

LEASES

The City as lessee

Operating leases are thase where risks and rewards af ownership are nat transferred ta the lessee. Payments made under aperating leases are charged ta the statement af financial perfarmance an a straight-line basis aver the periad af the lease.

The City as lessor

Rental incame fram aperating leases is recagnised an a straight-line basis aver the term af the lease.

GRANTS-IN-AID

The City transfers maney ta individuals, arganisatians and ather sectars af gavernment fram time ta time. When making these transfers, the City daes nat:

- receive any gaads ar services directly in return as wauld be expected in a purchase ar sale transactian;
- expect ta be repaid in future; ar
- expect a financial return, as wauld be expected fram an investment.

These transfers are recagnised in the statement af financial perfarmance as expenses in the periad in which the events giving rise ta the transfer accurred.

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

FINANCIAL INSTRUMENTS

Financial instruments are recognised when the City becomes a party to the contractual provisions of the instrument, and are initially measured at fair value. In the case of a financial instrument not subsequently measured at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the instrument are added to or deducted from the fair value as appropriate on initial recognition.

Non-derivative financial assets

The classification of financial assets depends on their nature and purpose, and is determined at the time of initial recognition.

- **Investments at fair value**

Non-derivative investments held without the positive intent or ability to hold to maturity. Subsequent to initial recognition, all changes to fair value are recognised through the statement of financial performance.

- **Investments at amortised cost**

Non-derivative investments with fixed or determinable payments and fixed maturity dates, which the City has the positive intent and ability to hold to maturity. Subsequent to initial recognition, such investments are measured at amortised cost using the effective interest method less any impairment.

- **Investments at cost**

Residual interests that do not have a quoted market price in an active market, and the fair value of which cannot be reliably measured. Subsequent to initial recognition, such investments are measured at cost less any impairment.

Financial assets other than those at fair value are assessed for indicators of impairment at the end of each reporting period. Impairment is considered when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the City has transferred substantially all risks and rewards of ownership, or when the enterprise loses control of contractual rights that comprise the assets.

Non-derivative financial liabilities

After initial recognition, the City measures all financial liabilities, including payables, at amortised cost, using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis.

Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or when it expires.

Derivative financial instruments

The City holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

PAYABLES

Payables are initially measured at fair value plus transactional cost, and are subsequently measured at amortised cost, using the effective interest rate method.

RECEIVABLES

Receivables are recognised initially at fair value plus transactional cost, which approximates amortised cost, less provision for impairment. Bad debts are written off in the year during which they are identified as irrecoverable, subject to the approval by the appropriate delegated authority. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of receivables is established when there is objective evidence that the City will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Interest is charged on overdue amounts. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year end.

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

UNAUTHORISED EXPENDITURE

Unautharised expenditure is expenditure that has nat been budgeted far; expenditure that is nat in terms af the canditians af an allacatian received fram anather sphere af gavernment, municipality ar argan af state, ar expenditure in the farm af a grant that is nat permitted in terms af the MFMA, Act 56 af 2003.

Unautharised expenditure is accaunted far in the financial statements and, where recavered, is subsequently accaunted far as revenue.

IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is in cantraventian af, ar that is nat in accardance with, a requirement af the Lacal Gavernment: Municipal Finance Management Act, Act 56 af 2003, Lacal Gavernment: Municipal Systems Act, Act 32 af 2000, Remuneratian af Public Office Bearers Act, Act 20 af 1998 ar the municipality's supply chain management (SCM) palicy.

Irregular expenditure excludes unautharised expenditure. Irregular expenditure is accaunted far in the financial statements and, where recavered, is subsequently accaunted far as revenue.

FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain, and wauld have been avaided had reasanable care been exercised. Fruitless and wasteful expenditure is accaunted far in the financial statements and, where recavered, is subsequently accaunted far as revenue.

FOREIGN-CURRENCY TRANSACTIONS

Transactians in fareign currencies are initially accaunted far at the ruling exchange rate an the date af the transactian. Trade creditars denaminated in fareign currency are reparted at the statement af financial pasitian date by applying the exchange rate an that date. Exchange differences arising fram the settlement af creditars, ar fram reparting af creditars at rates different fram thase at which they were initially recarded during the periad, are recagnised as incame ar expenses in the periad in which they arise.

BUDGET INFORMATION

The annual budget figures have been prepared in accardance with the GRAP Standards an an accrual basis, and are cansistent with the accaunting palicies adapted by the Cauncil far the preparatian af these financial statements.

The appraved budget cavers the current fiscal year. The appraved budget is the mast recent adjustments budget appraved by Cauncil. The final budget is the mast recently appraved budget, adjusted far changes made ta the budget in terms af legislatian that may nat be farmally appraved again by Cauncil. Where entities are required ta have the budget(s) appraved again far any subsequent adjustments, the mast recently appraved budget becames the final budget far purpases af disclasure.

The amaunts are presented as a separate additianal financial statement, called the statement af camparisan af budget and actual amaunts. Explanatary camments ta material differences are pravided in the nates ta the annual financial statements.

These figures are thase appraved by Cauncil bath befare and during the year fallawing a periad af cansultatian with the public as part af the Integrated Develapment Plan (IDP) pracess.

Camparative infarmatian is nat required and has nat been presented far the statement af camparisan af budget and actual amaunts.

OFFSETTING

Financial assets and liabilities are aff-set and the net amaunt reparted in the statement af financial pasitian when there is a legally enfarceable right ta aff-set the recagnised amaunt, and there is an intentian ta settle an a net basis ar ta realise the asset and settle the liability simultaneausly.

BORROWING COSTS

Barrawing casts that are incurred by the City are expensed in the statement af financial perfarmance in the periad during which they are incurred, regardless af haw the barrawings are applied.

SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

SERVICES IN KIND

The City does nat recagnise services in kind as revenue ar as an asset, but the nature and type af majar classes af services in kind are disclased in nate 23.

COMPARATIVE INFORMATION

When the presentatian ar classificatian af items in the annual financial statements is amended, priar periad camparative amaunts are restated. The nature and reasan far the reclassificatian is disclased. Where accaunting errars have been identified in the current year, the carrectian is made retraspectively as far as is practicable, and the priar year camparatives are restated accardingly. Where there has been a change in accaunting palicy in the current year, the adjustment is made retraspectively as far as is practicable, and the priar year camparatives are restated accardingly.

RELATED PARTIES

The City regards a related party as a persan ar an entity with the ability ta cantral the Entity either individually ar jaintly, ar the ability ta exercise significant influence aver the City, ar vice versa.

Management is regarded as a related party, and camprises the cauncillars, Executive Mayar, Executive Deputy Mayar, Mayaral Cammittee (Mayca) members, City Manager and executive directars.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

Rand thousands

	Note	2018	2017
ASSETS			
Non-current assets		**49 601 006**	**46 389 329**
Property, plant and equipment	2	43 153 766	40 196 491
Heritage assets	3	8 891	8 904
Investment property	4	584 713	586 427
Intangible assets	5	716 009	678 871
Investments	6	5 111 773	4 877 663
Long-term receivables	7	25 854	40 973
Current assets		**15 332 895**	**12 250 660**
Inventory	8	471 727	324 536
Receivables	9	5 997 778	5 724 863
Other receivables	10	1 380 906	1 077 455
Investments	6	1 981 576	1 654 114
Current portion of long-term receivables	7	14 290	14 201
Cash and cash equivalents	11	5 486 618	3 455 491
TOTAL ASSETS		**64 933 901**	**58 639 989**
LIABILITIES			
Non-current liabilities		**12 717 715**	**11 898 945**
Borrowings	12	6 492 538	5 789 616
Provisions	14	6 225 177	6 109 329
Current liabilities		**8 876 006**	**8 766 304**
Deposits	15	381 660	351 710
Provisions	16	1 015 155	964 292
Payables from exchange transactions	17	5 901 661	5 963 079
Unspent conditional grants and receipts	18	1 067 745	1 054 374
Value-added tax	19	132 982	93 366
Current portion of borrowings	12	376 803	334 185
Bank overdraft	11	-	5 298
TOTAL LIABILITIES		**21 593 721**	**20 665 249**
NET ASSETS			
Total net assets		**43 340 180**	**37 974 740**
Housing development fund	20	359 289	331 568
Reserves		3 105 791	3 441 617
Accumulated surplus		39 875 100	34 201 555
TOTAL NET ASSETS AND LIABILITIES		**64 933 901**	**58 639 989**

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2018

Rand thousands

	Note	2018	Restated [1] 2017
REVENUE			
Exchange revenue		**21 370 479**	**20 607 688**
Service charges	21	18 999 747	18 619 105
Rental of letting stock and facilities		513 805	358 497
Finance income	22	1 081 236	965 283
Licences and permits		46 788	47 741
Agency services		213 550	188 238
Other income	23	434 876	242 040
Gains on disposal of property, plant and equipment		80 477	186 784
Non-exchange revenue		**18 652 442**	**17 554 658**
Finance income	22	76 885	81 005
City improvement districts (CIDs)	23	198 921	169 260
Property rates	24	8 470 387	8 105 126
Fuel levy		2 417 635	2 197 740
Fines, penalties and forfeits		1 644 474	1 241 128
Government grants and subsidies	25	5 744 790	5 648 752
Public contributions	26	99 350	111 647
Total revenue		**40 022 921**	**38 162 346**
EXPENDITURE			
Employee-related costs	27	10 866 949	9 659 300
Remuneration of councillors	40.2.1	154 923	138 373
Impairment costs	28	2 582 999	2 423 157
Collection costs		207 853	198 278
Depreciation and amortisation expenses [2]		2 566 995	2 209 274
Finance costs	29	781 928	731 823
Bulk purchases	30	8 127 378	8 438 102
Contracted services		4 322 605	4 171 123
Grants and subsidies paid		164 022	111 829
General expenses	31	4 876 219	4 764 561
Losses on disposal of property, plant and equipment		5 610	7 376
Total expenditure		**34 657 481**	**32 853 196**
Surplus from operations		**5 365 440**	**5 309 150**
Discontinued operation			
Deficit from discontinued operation	32	(27 479)	(52 451)
NET SURPLUS FROM CONTINUED OPERATIONS		**5 392 919**	**5 361 601**

[1] *Comparative restated: See note 32 for more details.*

[2] *See Annexure B for more detail.*

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2018

Rand thousands

	Housing development fund	Capital replacement reserve	Insurance reserves	Accumulated surplus	Total
2016					
Bolonce os ot 30 June 2016	340 096	2 119 182	545 157	29 846 771	32 851 206
Correction of error	-	-	-	(185 616)	(185 616)
Restated balance as at 30 June 2016 [1]	**340 096**	**2 119 182**	**545 157**	**29 661 155**	**32 665 590**
2017					
Restated surplus [1]				5 309 150	5 309 150
Surplus os previously reported	-	-	-	5 304 628	-
Correction of error	-	-	-	4 522	-
Tronsfer to/(from)	9 522	1 586 966	16 139	(1 612 627)	-
Property, plant ond equipment purchased	(18 050)	(825 827)	-	843 877	-
Restated balance as at 30 June 2017 [1]	**331 568**	**2 880 321**	**561 296**	**34 201 555**	**37 974 740**
2018					
Surplus for the yeor	-	-	-	5 365 440	5 365 440
Tronsfer to/(from)	35 075	784 791	17 032	(836 898)	-
Property, plant ond equipment purchased	(7 354)	(1 137 649)	-	1 145 003	-
Balance as at 30 June 2018	**359 289**	**2 527 463**	**578 328**	**39 875 100**	**43 340 180**

[1] *Comporotive restoted: see note 37 for more detoils.*

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

Rand thousands

	Note	2018	Restated [1] 2017
CASH FLOW FROM OPERATING ACTIVITIES			
CONTINUED OPERATION			
Cash receipts from ratepayers, government and other		34 841 627	32 975 883
Cash paid to suppliers and employees		(27 925 499)	(26 655 885)
Cash generated from operations	33	6 916 128	6 319 998
Finance income		1 150 624	999 822
Finance costs		(689 670)	(666 163)
Net cash from continued operations		7 377 082	6 653 657
DISCONTINUED OPERATION [1]			
Cash receipts from ratepayers, government and other		6 039	11 209
Cash paid to suppliers and employees		(33 518)	(63 660)
Net cash from discontinued operation	32	(27 479)	(52 451)
NET CASH FROM OPERATING ACTIVITIES		**7 349 603**	**6 601 206**
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment and other		(5 588 905)	(5 904 620)
Proceeds on disposal of assets		98 239	198 742
Decrease in long-term receivables		15 030	13 614
Increase in investments		(561 572)	(410 412)
NET CASH FROM INVESTING ACTIVITIES		**(6 037 208)**	**(6 102 676)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1 000 000	-
Repayment of borrowings		(305 920)	(407 883)
Increase in deposits		29 950	27 077
NET CASH FROM FINANCING ACTIVITIES		**724 030**	**(380 806)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	34	**2 036 425**	**117 724**
Cash and cash equivalents at the beginning of the year		3 450 193	3 332 469
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**5 486 618**	**3 450 193**

[1] *Comparative restated: See note 32 and 33 for more details.*

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 30 JUNE 2018

Rand thousands

	Note	Approved budget [1]	Final budget [1]	Actual per annual financial statements classification	Classification differences [2]	Actual per budget classification	Variance: Final budget and actual amounts	Variance %
STATEMENT OF FINANCIAL POSITION	38.2.1							
Total non-current assets		51 132 282	51 132 282	49 601 006	-	49 601 006	1 531 276	2,99
Total current assets		14 615 569	14 615 569	15 332 895	-	15 332 895	(717 326)	(4,91)
Total assets		**65 747 851**	**65 747 851**	**64 933 901**	**-**	**64 933 901**	**813 950**	**1,24**
Total non-current liabilities		12 922 577	12 922 577	12 717 715	-	12 717 715	204 862	1,59
Total current liabilities	i	12 223 285	12 223 285	8 876 006	-	8 876 006	3 347 279	27,38
Total liabilities		**25 145 862**	**25 145 862**	**21 593 721**	**-**	**21 593 721**	**3 552 141**	**14,13**
Total net assets		40 601 989	40 601 989	43 340 180	-	43 340 180	(2 738 191)	(6,74)
Total net assets and liabilities		**65 747 851**	**65 747 851**	**64 933 901**	**-**	**64 933 901**	**813 950**	**1,24**
FINANCIAL PERFORMANCE	38.2.2							
Property rates		8 694 931	8 694 931	8 470 387	198 921	8 669 308	25 623	0,29
Service charges		17 184 556	17 184 556	18 999 747	(1 140 682)	17 859 065	(674 509)	(3,93)
Investment revenue		893 657	893 657	1 158 121	(280 137)	877 984	15 673	1,75
Transfers recognised - operational	i	4 609 752	4 609 752	4 011 324	2 439 321	6 450 645	(1 840 893)	(39,93)
Other own revenue	ii	5 287 285	5 287 285	5 550 526	(1 808 983)	3 741 543	1 545 742	29,24
Total revenue (excluding capital transfers and contributions)		**36 670 181**	**36 670 181**	**38 190 105**	**(591 560)**	**37 598 545**	**(928 364)**	**(2,53)**
Employee costs		11 505 286	11 493 977	10 866 949	(1 626)	10 865 323	628 654	5,47
Remuneration of councillors		155 565	155 565	154 923	-	154 923	642	0,41
Depreciation and asset impairment		2 520 137	2 520 137	2 566 995	11 566	2 578 561	(58 424)	(2,32)
Finance charges	iii	993 544	994 071	781 928	20	781 948	212 123	21,34
Materials and bulk purchases		9 925 053	9 956 640	8 127 378	1 218 124	9 345 502	611 138	6,14
Transfers and grants		414 450	447 560	164 022	244 015	408 037	39 523	8,83
Other expenditure		10 898 706	10 844 791	11 995 286	(2 085 345)	9 909 941	934 850	8,62
Total expenditure		**36 412 741**	**36 412 741**	**34 657 481**	**(613 246)**	**34 044 235**	**2 368 506**	**6,50**
Surplus		**257 440**	**257 440**	**3 532 624**	**21 686**	**3 554 310**	**(3 296 870)**	
Transfers recognised - capital	iv	2 092 130	2 092 130	1 733 466	(584)	1 732 882	359 248	17,17
Contributions recognised - capital and contributed assets	v	96 585	96 585	99 350	(21 102)	78 248	18 337	18,99
Surplus after capital transfers and contributions		**2 446 155**	**2 446 155**	**5 365 440**	**-**	**5 365 440**	**(2 919 285)**	**(119,34)**

[1] / [2] *See note 38 for more detail.*

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

	Note	Approved budget [1]	Final budget [1]	Actual per annual financial statements classification	Recagnitian differences [3]	Actual per budget classification	Variance: Final budget and actual amounts	Variance %
CASH FLOW STATEMENT	38.2.3							
Net cash from operating	i	5 051 421	5 051 421	7 349 603	-	7 349 603	(2 298 182)	(45,50)
Net cash from investing	ii	(7 232 888)	(7 232 888)	(6 037 208)	-	(6 037 208)	(1 195 680)	16,53
Net cash from financing	iii	3 597 199	3 597 199	724 030	-	724 030	2 873 169	79,87
Net increase in cash and cash equivalents		**1 415 732**	**1 415 732**	**2 036 425**	**-**	**2 036 425**	**(620 693)**	**(43,84)**
CAPITAL EXPENDITURE	38.3.1							
Area-Based Service Delivery		19 648	19 648	19 019	-	19 019	629	3,20
Assets and Facilities Management		431 322	431 322	411 808	-	411 808	19 514	4,52
City Manager	i	192	192	172	-	172	20	10,42
Corporate Services		362 758	362 758	354 037	-	354 037	8 721	2,40
Directorate of the Mayor	ii	18 921	18 921	17 057	-	17 057	1 864	9,85
Energy	iii	1 177 050	1 177 050	1 024 550	-	1 024 550	152 500	12,96
Finance		13 710	13 710	13 114	-	13 114	596	4,35
Informal Settlements, Water and Waste Services	iv	3 654 940	3 654 940	2 097 367	14 714	2 112 081	1 542 859	42,21
Safety and Security		160 128	160 128	158 094	(1 798)	156 296	3 832	2,39
Social Services	v	279 906	279 906	260 647	(3 433)	257 214	22 692	8,11
Transport and Urban Development Authority	vi	1 562 428	1 562 428	1 238 756	(485)	1 238 271	324 157	20,75
Total		**7 681 003**	**7 681 003**	**5 594 621**	**8 998**	**5 603 619**	**2 077 384**	**27,05**

[1] / [3] *See note 38 for more detail.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

Rand thousands

1. FINANCIAL RISK MANAGEMENT

Exposure to currency, interest rate, liquidity and credit risk arises in the normal course of the City's operations. This note presents information about the City's exposure to each of the above risks, policies and processes for measuring and managing risk, and the City's management of capital. Further quantitative disclosures are included throughout these financial statements.

Exposure to currency, interest rate, liquidity and credit risk arises in the normal course of the City's operations. This note presents information about the City's exposure to each of the above risks, policies and processes for measuring and managing risk, and the City's management of capital. Further quantitative disclosures are included throughout these financial statements.

The accounting policy for financial instruments was applied to the following statement of financial position items:

	Amortised cost	Fair value	Cost	Total carrying amount	Fair value
Financial assets					
2018					
Investments	2 411 026	4 166 793	520 849	7 098 668	7 120 600
Long-term receivables	40 144	-	-	40 144	40 144
Receivables	5 997 778	-	-	5 997 778	5 997 778
Other receivables	1 335 499	-	-	1 335 499	1 335 499
Cash and cash equivalents	4 535 613	945 686	-	5 481 299	5 481 299
TOTAL	**14 320 060**	**5 112 479**	**520 849**	**19 953 388**	**19 975 320**
Derivative financial assets					
Forward exchange contracts	**11**	**-**	**-**	**11**	**11**
Financial assets					
2017					
Investments	2 136 131	3 812 199	588 766	6 537 096	6 552 469
Long-term receivables	55 174	-	-	55 174	55 174
Receivables	5 724 863	-	-	5 724 863	5 724 863
Other receivables	989 034	-	-	989 034	989 034
Cash and cash equivalents	2 546 223	898 651	-	3 444 874	3 444 874
TOTAL	**11 451 425**	**4 710 850**	**588 766**	**16 751 041**	**16 766 414**
Derivative financial assets					
Forward exchange contracts	**190**	**-**	**-**	**190**	**190**

	Amortised cost	Total carrying amount	Fair value
2018			
Non-derivative financial liabilities			
Borrowings	6 869 341	6 869 341	6 033 741
Payables	4 791 596	4 791 596	4 791 596
TOTAL	**11 660 937**	**11 660 937**	**10 825 337**
2017			
Non-derivative financial liabilities			
Borrowings	6 123 801	6 123 801	6 320 013
Payables	4 598 724	4 598 724	4 598 724
TOTAL	**10 722 525**	**10 722 525**	**10 918 737**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

1. FINANCIAL RISK MANAGEMENT (continued)

1.1 Fair values

The table below analyses financial instruments carried at fair value at the end of the reporting period, by level of fair-value hierarchy. The different levels are based on the extent to which quoted prices are used in the calculation of the fair value of the financial instruments, and have been defined as follows:

Level 1: Fair values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2: Fair values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Fair values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data, and the unobservable inputs have a significant effect on the instrument's valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments, where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

	Level 1	Level 2	Level 3	Total
2018				
Financial assets				
Investments	1 097 071	3 069 722	-	4 166 793
Cash and cash equivalents	-	945 686	-	945 686
TOTAL	**1 097 071**	**4 015 408**	**-**	**5 112 479**
Derivative financial assets				
Forward exchange contracts	**11**	**-**	**-**	**11**
2017				
Financial assets				
Investments	2 059 923	1 752 276	-	3 812 199
Cash and cash equivalents	-	898 651	-	898 651
TOTAL	**2 059 923**	**2 650 927**	**-**	**4 710 850**
Derivative financial assets				
Forward exchange contracts	**190**	**-**	**-**	**190**

1.2 Liquidity risk

Liquidity risk is the risk of the City not being able to meet its obligations as they fall due. The City's approach to managing liquidity risk is to ensure that sufficient cash is available to meet its expected operating expenses and liabilities when due, without incurring unacceptable losses or risking damage to the City's reputation. This is achieved by using cash flow forecasts.

The following are contractual liabilities of which interest is included in borrowings:

	Up to 1 year	1-5 years	>5 years	Total
2018				
Non-derivative financial liabilities	**5 926 461**	**4 669 879**	**5 290 545**	**15 886 885**
Borrowings	1 134 865	4 669 879	5 290 545	11 095 289
Capital repayments	415 723	2 049 204	4 404 414	6 869 341
Interest	719 142	2 620 675	886 131	4 225 948
Payables	4 791 596	-	-	4 791 596
Trade payables	4 316 747	-	-	4 316 747
Sundry creditors	474 849	-	-	474 849
TOTAL	**5 926 461**	**4 669 879**	**5 290 545**	**15 886 885**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

1. FINANCIAL RISK MANAGEMENT (continued)

1.3 Credit risk

Credit risk is the risk of financial loss to the City if customers or counterparties to financial instruments fail to meet their contractual obligations, and arises principally from the City's investments, receivables, and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 30 June was as follows:

	2018	2017
Investments	6 577 819	5 948 330
Long-term receivables – see note 7	40 144	55 174
Receivables and other receivables	7 333 277	6 713 897
Cash and cash equivalents	5 481 299	3 444 874
TOTAL	**19 432 539**	**16 162 275**

Investments and cash and cash equivalents

The City limits its exposure to credit risk by investing with only reputable financial institutions that have a sound credit rating, and within specific guidelines set in accordance with Council's approved investment policy. Consequently, the City does not consider there to be any significant exposure to credit risk.

Long-term receivables

Loans were granted and are managed in accordance with policies and regulations as set out in note 7. The associated interest rates and repayments are clearly defined and, where appropriate, the City obtains certain suitable forms of security when granting loans. Allowances for impairment are made in certain instances. No further loans have been awarded.

Receivables

Receivables are amounts owing by consumers, and are presented net of impairment losses. The City has a credit risk policy in place, and the exposure to credit risk is monitored on an ongoing basis. The City is compelled in terms of its constitutional mandate to provide all its residents with basic minimum services, without recourse to an assessment of creditworthiness. There were no material changes in its objectives, policies and processes for managing and measuring the risk during the year under review. The City's strategy for managing its risk includes encouraging residents to install water demand management devices that control water flow to households, as well as prepaid electricity meters. In certain instances, a deposit is required for new service connections, serving as a guarantee.

The City's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position. The City has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographic area. The City establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. The outstanding amounts of the ten largest debtors represent 1,34% (2017: 0,89%) of the total outstanding balance. The average credit period on services rendered is 30 days from date of invoice. Interest is raised at prime plus 1% on any unpaid accounts after the due date. The City has provided fully for all receivables outstanding over 365 days. Receivables up to 365 days are provided for based on estimated irrecoverable amounts, determined by reference to past default experience. Additional information relating to the analysis of receivables is given in note 9 and 10.

Payment of accounts of consumer debtors who are unable to pay, are renegotiated as an ongoing customer relationship in response to an adverse change in the circumstances of the customer. Traffic fines can be contested in writing and can lead to a renegotiated fine.

1.4 Capital management

The primary objective of managing the City's capital is to ensure that there is sufficient cash available to support the City's funding requirements, including capital expenditure, to ensure that the City remains financially sound. This is done through the use of the following key ratios:

- **Cost coverage ratio** which is used to calculate the City's ability to meet its monthly operating commitments from cash and short-term investment without collecting any additional revenue, during that month.
- **Net debt to income** to determine the affordability of total borrowings to be funded from operating revenue.

1.5 Price risk

The City is exposed to price risk because of investments held by the City and classified as financial instruments carried at fair value. The City is not exposed to commodity price risk. To manage its price risk arising from investments, the City diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the City. The exposure to price risk is not material to the City and, consequently, is not elaborated on any further.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

1. FINANCIAL RISK MANAGEMENT (continued)

1.6 Market risk

Market risk is the risk that changes in market prices such as interest rates and foreign-exchange rates affecting the City's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on the risk.

1.6.1 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The City's exposure to the risk of changes in market rates relates primarily to the City's investments with floating interest rates.

The effective rates on financial instruments as at 30 June 2018 were as follows:

		Maturity of interest-bearing assets/liabilities			
	Weighted average interest rate %	1 year or less	1-5 years	>5 years	Total
Financial assets					
Investments	8,25	2 863 850	2 881 836	1 714 406	7 460 092
Cash and cash equivalents	6,92	4 535 613	-	-	4 535 613
TOTAL		**7 399 463**	**2 881 836**	1 714 406	**11 995 705**
Financial liabilities					
Borrowings	10,06	**415 723**	**2 049 204**	**4 404 414**	**6 869 341**

Sensitivity analysis

Financial assets

As at 30 June 2018, if the weighted average interest rate at that date had been 100 basis points higher, with all other variables held constant, the fair-value impact on the statement of financial performance would have been R100,14 million with the opposite effect if the interest rate had been 100 basis points lower.

The sensitivity analysis is performed by dividing the total investment interest earned for the year by the average interest rate earned to give the effect of a one percent movement in interest rates.

Financial liabilities

Changes in the interest rate as at 30 June 2018 would have no impact on the statement of financial performance as all borrowings are at a fixed interest rate.

1.6.2 Currency risk

The City is exposed to foreign-currency risk through the importation of goods and services, either directly or indirectly, through the award of contracts to local importers. The City manages any material direct exposure to foreign-currency risk by entering into forward exchange contracts. The City manages its indirect exposure by requiring the local importer to take out a forward exchange contract at the time of procurement, in order to predetermine the rand value of the contracted goods or services.

Sensitivity analysis

As at 30 June 2018, if the foreign exchange rate at that date had been 5% higher, with all other variables held constant, the surplus for the year would have increased with R63 424,94 due to the changes in the carrying value of the foreign exchange asset at the reporting date, with the opposite effect if the foreign exchange rate had been 5% lower.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

2. PROPERTY, PLANT AND EQUIPMENT

	As at 30 June 2018			As at 30 June 2017		
	Cost price	Accumulated Depreciation	Carrying value	Cost price	Accumulated Depreciation	Carrying value
Lond ond buildings	3 828 532	(924 880)	2 903 652	3 423 825	(878 570)	2 545 255
Infrostructure	39 017 783	(12 001 275)	27 016 508	35 797 548	(10 765 397)	25 032 151
Community	9 224 175	(2 952 476)	6 271 699	8 546 706	(2 677 723)	5 868 983
Other	9 267 974	(5 235 196)	4 032 778	8 568 335	(4 905 826)	3 662 509
Service concession	1411 417	(576 910)	834 507	1 410 668	(455 127)	955 541
Housing rentol stock	3 115 668	(1 021 046)	2 094 622	3 073 753	(941 701)	2 132 052
TOTAL	**65 865 549**	**(22 711 783)**	**43 153 766**	**60 820 835**	**(20 624 344)**	**40 196 491**

Reconciliation of property, plant and equipment

	Opening balance	Transfers/ adjustments	Additions	Disposals	Depreciation	Impairment	Carrying value
As at 30 June 2018							
Lond ond buildings	2 545 255	235 171	169 485	(361)	(45 303)	(595)	2 903 652
Infrostructure	25 032 151	(505 094)	3 725 408	-	(1 231 734)	(4 223)	27 016 508
Community	5 868 983	308 678	368 892	(15)	(274 143)	(696)	6 271 699
Other	3 662 509	(103 634)	1 139 502	(19 551)	(644 970)	(1 078)	4 032 778
Service concession	955 541	481	268	-	(116 809)	(4 974)	834 507
Housing rentol stock	2 132 052	-	63 172	(3 445)	(97 157)	-	2 094 622
TOTAL	**40 196 491**	**(64 398)**	**5 466 727**	**(23 372)**	**(2 410 116)**	**(11 566)**	**43 153 766**

(See onnexure B for more detoils)

As at 30 June 2017							
Lond ond buildings	2 154 183	122 598	350 711	(6 651)	22 909	(98 495)	2 545 255
Infrostructure	21 871 773	90 053	4 176 053	(539)	(1 105 189)	-	25 032 151
Community	5 760 971	54 105	316 871	-	(262 964)	-	5 868 983
Other	3 852 572	(579 070)	935 437	(7 392)	(537 858)	(1 180)	3 662 509
Service concession	1 073 461	(1 085)	-	-	(116 835)	-	955 541
Housing rentol stock	1 993 968	169 490	62 596	(4 700)	(89 302)	-	2 132 052
TOTAL	**36 706 928**	**(143 909)**	**5 841 668**	**(19 282)**	**(2 089 239)**	**(99 675)**	**40 196 491**

The 2017 comporotive omounts hove been restoted thot includes in the 'Infrostructure' ossets ore security infrostructure previously reported under 'Community' ossets.

Assets under construction – Carrying value

	2018	2017
Infrostructure	2 600 717	3 441 462
Community	217 903	123 887
Other	368 406	375 499

PPE consisting of projects significontly deloyed omounting to R254,87 million (2017: R186,97 million) is included in the Asset under construction (infrostructure ond community) corrying volues. The significont deloys ore moinly due to deloys in the roll-out of certoin sections of the IRT network R150,55 million (2017: R104,18 million) ond controctor problems in the completion of o new Outoge Monogement System R46,22 million.

Included in the Asset under construction (community) corrying volue is o holted project omounting to R27,70 million (2017: R19,20 million - infrostructure). This housing project hos been ploced on hold due to continued community protests.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

2. PROPERTY, PLANT AND EQUIPMENT (continued)

Capital commitments

	2018	2017
Appraved and cantracted far capital expenditure		
Infrastructure	1 651 658	2 485 029
Cammunity	63 446	96 163
Other	312 963	211 731
TOTAL	**2 28 067**	**2 792 923**

Capital cammitments represent future capital expenditure exclusive af VAT. The City has the abligatian ta spend these amaunts due ta signed cantracts with suppliers.

Repairs and maintenance

The City's amaunt is R2,45 billian (2017: R2,36 billian) far the reparting financial year. In determining the repairs and maintenance amaunt the City has exclusively disclased amaunts charged by the service praviders.

Residual value

During the current financial year, the City reviewed the estimated useful lives and residual values af praperty, plant and equipment, where apprapriate (see nate 37).

Impairment

The recaverable amaunt af impaired assets is R53,79 millian (2017: R65,82 millian). Impairment lasses arise mainly fram damage ta City mavable and immavable assets due ta accidents and pratest actians.

Service concession assets

The City has entered inta Service Cancessian arrangements with three aperatars an the MyCiti IRT system. Included are IRT buses and related depats. The City daes hawever retain full cantral aver the nature, timing and extent af the services that the aperatars have ta perfarm.

3. HERITAGE ASSETS

	As at 30 June 2018			As at 30 June 2017		
	Cost price	Accumulated Depreciation	Carrying value	Cost price	Accumulated Depreciation	Carrying value
Paintings and museum items	8 891	-	8 891	8 904	-	8 904

Reconciliation of property, plant and equipment

	Opening balance	Transfers/ adjustments	Additions	Disposals	Carrying value
As at 30 June 2018					
Paintings and museum items	8 904	(13)	-	-	8 891
(See annexure B far mare details)					
As at 30 June 2017					
Paintings and museum items	9 049	(144)	-	(1)	8 904

Heritage assets are held at cast, as it is impractical ta determine their fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

4. INVESTMENT PROPERTY

	As at 30 June 2018			As at 30 June 2017		
	Cost price	Accumulated Depreciation	Carrying value	Cost price	Accumulated Depreciation	Carrying value
Land and buildings	**642 681**	**(57 968)**	**584 713**	**642 681**	**(56 254)**	**586 427**

Reconciliation of property, plant and equipment

	Opening balance	Transfers/ adjustments	Additions	Depreciation	Disposals	Carrying value
As at 30 June 2018						
Land and buildings	**586 427**	**-**	**-**	**(1 714)**	**-**	**584 713**
(See annexure B for more details)						
As at 30 June 2017						
Land and buildings	**588 191**	**-**	**-**	**(1 713)**	**(51)**	**586 427**

5. INTANGIBLE ASSETS

	As at 30 June 2018			As at 30 June 2017		
	Cost price	Accumulated Depreciation	Carrying value	Cost price	Accumulated Depreciation	Carrying value
Acquisition of rights	561 441	(284 457)	276 984	561 441	(214 392)	347 049
Computer software	1 003 942	(564 917)	439 025	811 639	(479 817)	331 822
TOTAL	**1 565 383**	**(849 374)**	**716 009**	**1 373 080**	**(694 209)**	**678 871**

Reconciliation of property, plant and equipment

	Opening balance	Transfers/ adjustments	Additions	Amortisation	Carrying value
As at 30 June 2018					
Acquisition of rights	347 049	116	-	(70 180)	276 985
Computer software	331 822	64 293	127 894	(84 985)	439 024
TOTAL	**678 871**	**64 409**	**127 894**	**(155 165)**	**716 009**
(See annexure B for more details)					
As at 30 June 2017					
Acquisition of rights	430 754	(13 780)	-	(69 925)	347 049
Computer software	198 408	102 343	79 468	(48 397)	331 822
TOTAL	**629 162**	**88 563**	**79 468**	**(118 322)**	**678 871**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

6. INVESTMENTS

	Amortised cost	Fair value	Cost	Total
As at 30 June 2018				
RSA Government stock	82 838	-	-	82 838
Guaranteed investment instruments – see note 12	2 264 754	-	-	2 264 754
Other fixed deposits	4 354 545	-	-	4 354 545
Deposits held with fund managers	-	5 112 479	-	5 112 479
Shares in CTICC	-	-	833 998	833 998
	6 702 137	5 112 479	833 998	12 648 614
Provision for impairment	(5 319)	-	(313 149)	(318 468)
Net investments	6 696 818	5 112 479	520 849	12 330 146
Transferred to current investments	(63 412)	(1 918 164)	-	(1 981 576)
Transferred to cash and cash equivalents – see note 11	(4 291 111)	(945 686)	-	(5 236 797)
TOTAL	**2 342 295**	**2 248 629**	**520 849**	**5 111 773**
As at 30 June 2017				
RSA Government stock	84 240	-	-	84 240
Guaranteed investment instruments – see note 12	2 051 869	-	-	2 051 869
Other fixed deposits	2 050 825	-	-	2 050 825
Deposits held with fund managers	-	4 710 850	-	4 710 850
Shares in CTICC	-	-	833 998	833 998
	4 186 934	4 710 850	833 998	9 731 782
Provision for impairment	(5 319)	-	(245 232)	(250 551)
Net investments	4 181 615	4 710 850	588 766	9 481 231
Transferred to current investments	-	(1 654 114)	-	(1 654 114)
Transferred to cash and cash equivalents – see note 11	(2 050 803)	(903 949)	-	(2 954 752)
Transferred to bank overdraft – see note 11	-	5 298	-	5 298
TOTAL	**2 130 812**	**2 158 085**	**588 766**	**4 877 663**

Collateral deposits for staff housing loans

Included in other fixed deposits are fixed deposits with a carrying value of R0,04 million (2017: R0,04 million), which were pledged as security deposits for securing staff home loans with financial institutions.

These pledges are repaid as soon as the employees' outstanding home loan balance is below 80% of the approved loan amount. The City has not issued fixed deposits as security since 2000, however, interest earned on certain deposits are still being capitalised. The City's exposure to risk is minimised by an insurance policy taken out by the employee and ceded to the City to cover the guaranteed deposit.

Cape Town International Convention Centre (Pty) Ltd (CTICC)

The cost of the City's investment in CTICC at 30 June 2018 is R833,99 million (2017: R833,99 million) and the impairment loss provision is R313,15 million (2017: R245,23 million). At year end an impairment assessment was made based on the projected cash flows of the entity. Based on the calculation, a fair value of R520,84 million was determined. This resulted in an increase of R67,92 million in the impairment.

Compensation for occupational injuries and diseases (COID investments)

The RSA Government stock (bonds) was purchased at the request of the Department of Labour in terms of the Occupational Injuries and Diseases Act, Act 130 of 1993. The Compensation Commissioner is required to hold the physical scrip as security for the City's liabilities under the Act.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

7. LONG-TERM RECEIVABLES

	2018	2017
	906	2 526
Other	4 498	5 630
Provision for impairment	(3 592)	(3 104)
	39 238	52 648
Housing selling developments	47 648	62 602
Provision for impairment	(8 410)	(9 954)
	40 144	55 174
Transferred to current receivables	(14 290)	(14 201)
TOTAL	**25 854**	**40 973**
Reconciliation of impairment provision		
Balance at beginning of the year	13 058	20 175
Contribution from provisions	(1 056)	(7 117)
Balance as at 30 June	**12 002**	**13 058**

7.1 Other

Sporting bodies

To facilitate the development of sporting facilities, loans were historically made to provide the necessary financial assistance. These loans attract interest at a rate of 3,63% to 12% per annum, and are repayable over a maximum period of 20-40 years.

Housing land sale

The long-term loan to the Khayelitsha Community Trust (KCT) (sale of portion 1 to 3, erf 58856) is repayable over 18 years. Annual payments are received, with the final payment due in 2024.

Public organisations

Loans to public organisations were granted in terms of the National Housing Policy. At present, these loans attract interest at 1%, and are repayable over 30 years. With the implementation of new legislation (the MFMA and the Housing Act), no further loans have been awarded, and the remaining loans will be discounted in 2018/2019. Examples of public organisations that were granted loans are the Salvation Army and the Alta du Toit School.

7.2 Housing selling development loans

Housing loans were historically granted to qualifying individuals in terms of the National Housing Policy. These loans currently attract interest at 10% (2017:10,50%) per annum, and are repayable over 20 years. The interest rate is determined by Council policy.

8. INVENTORY

Consumable stock	355 679	247 307
Water	42 049	21 849
Other goods held for use/resale	73 999	55 380
TOTAL	**471 727**	**324 536**

Inventory to the value of R0,33 million (2017: R0,91 million) was scrapped during the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

9. RECEIVABLES

	As at 30 June 2018			As at 30 June 2017		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
From exchange transactions	**8 776 414**	**(4 942 650)**	**3 833 764**	**7 933 258**	**(4 435 527)**	**3 497 731**
Service debtors	7 700 505	(4 044 152)	3 656 353	6 887 079	(3 585 255)	3 301 824
Housing rental stock	755 533	(679 652)	75 881	702 237	(633 917)	68 320
Housing selling stock	201 779	(172 933)	28 846	195 470	(164 278)	31 192
Other exchange debtors	118 597	(45 913)	72 684	148 472	(52 077)	96 395
From non-exchange transactions	**2 949 213**	**(785 199)**	**2 164 014**	**2 953 606**	**(726 474)**	**2 227 132**
Rates debtors	2 905 875	(780 645)	2 125 230	2 910 955	(721 024)	2 189 931
Other non-exchange debtors	43 338	(4 554)	38 784	42 651	(5 450)	37 201
TOTAL	**11 725 627**	**(5 727 849)**	**5 997 778**	**10 886 864**	**(5 162 001)**	**5 724 863**

As at 30 June 2018, the City's receivables balance included an amount of approximately R199,34 million (2017: R227,52 million), owed by National Government and Province.

	2018	2017
Reconciliation of impairment provision		
Balance at beginning of the year	5 162 001	4 703 941
Contributions to provisions	1 850 626	1 434 760
Transfers from provisions	(6 864)	(5 051)
Bad debts written off	(1 277 914)	(971 649)
Balance as at 30 June	**5 727 849**	**5 162 001**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

9. RECEIVABLES (continued)

	Analysis of receivables' age in days					
	As at 30 June 2018			As at 30 June 2017		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
FROM EXCHANGE TRANSACTIONS	**8 776 414**	**(4 942 650)**	**3 833 764**	**7 933 258**	**(4 435 527)**	**3 497 731**
Service debtors	**7 700 505**	**(4 044 152)**	**3 656 353**	**6 887 079**	**(3 585 255)**	**3 301 824**
Not past due date	**2 313 628**	**(452 733)**	**1 860 895**	**1 904 685**	**(216 259)**	**1 688 426**
Past due						
0-90	**1 237 357**	**(310 338)**	**927 019**	**626 411**	**(117 911)**	**508 500**
91-365	**1 211 710**	**(343 271)**	**868 439**	**1 403 910**	**(299 012)**	**1 104 898**
365+	**2 937 810**	**(2 937 810)**	**-**	**2 952 073**	**(2 952 073)**	**-**
• ***Electricity***	1 663 192	(328 438)	1 334 754	1 569 272	(232 768)	1 336 504
Not past due date	889 685	(11 740)	877 945	971 132	(4 943)	966 189
Past due						
0-90	346 894	(4 577)	342 317	201 999	(1 028)	200 971
91-365	116 023	(1 531)	114 492	170 210	(866)	169 344
365+	310 590	(310 590)	-	225 931	(225 931)	-
• ***Water***	4 029 540	(2 571 860)	1 457 680	3 419 076	(2 208 466)	1 210 610
Not past due date	950 590	(375 219)	575 371	536 026	(161 053)	374 973
Past due						
0-90	705 613	(278 521)	427 092	369 167	(110 920)	258 247
91-365	752 079	(296 862)	455 217	825 384	(247 994)	577 390
365+	1 621 258	(1 621 258)	-	1 688 499	(1 688 499)	-
• ***Waste management***	565 488	(335 654)	229 834	555 420	(326 505)	228 915
Not past due date	109 543	(6 694)	102 849	94 255	(8 015)	86 240
Past due						
0-90	27 428	(1 676)	25 752	31 935	(2 716)	29 219
91-365	107 821	(6 588)	101 233	124 001	(10 545)	113 456
365+	320 696	(320 696)	-	305 229	(305 229)	-
• ***Wastewater management***	1 442 285	(808 200)	634 085	1 343 311	(817 516)	525 795
Not past due date	363 810	(59 080)	304 730	303 272	(42 248)	261 024
Past due						
0-90	157 422	(25 564)	131 858	23 310	(3 247)	20 063
91-365	235 787	(38 290)	197 497	284 315	(39 607)	244 708
365+	685 266	(685 266)	-	732 414	(732 414)	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

9. RECEIVABLES (continued)

	Analysis of receivables' age in days (continued)					
	As at 30 June 2018			As at 30 June 2017		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
FROM EXCHANGE TRANSACTIONS (continued)						
Housing rental stock	**755 533**	**(679 652)**	**75 881**	**702 237**	**(633 917)**	**68 320**
Not past due date	72 611	(46 558)	26 053	53 359	(34 358)	19 001
Past due						
0-90	54 072	(34 671)	19 401	52 146	(33 577)	18 569
91-365	84 801	(54 374)	30 427	86 352	(55 602)	30 750
365+	544 049	(544 049)	-	510 380	(510 380)	-
Housing selling stock	**201 779**	**(172 933)**	**28 846**	**195 470**	**(164 278)**	**31 192**
Not past due date	343	(62)	281	11 985	(2 019)	9 966
Past due						
0-90	19 149	(3 488)	15 661	10 049	(1 693)	8 356
91-365	15 778	(2 874)	12 904	15 479	(2 609)	12 870
365+	166 509	(166 509)	-	157 957	(157 957)	-
Other exchange debtors	**118 597**	**(45 913)**	**72 684**	**148 472**	**(52 077)**	**96 395**
Not past due date	40 587	-	40 587	72 082	-	72 082
Past due						
0-90	16 141	-	16 141	9 690	-	9 690
91-365	15 956	-	15 956	14 623	-	14 623
365+	45 913	(45 913)	-	52 077	(52 077)	-
FROM NON-EXCHANGE TRANSACTIONS	**2 949 213**	**(785 199)**	**2 164 014**	**2 953 606**	**(726 474)**	**2 227 132**
Rates debtors	**2 905 875**	**(780 645)**	**2 125 230**	**2 910 955**	**(721 024)**	**2 189 931**
Not past due date	1 911 885	(25 699)	1 886 186	1 974 533	(110 406)	1 864 127
Past due						
0-90	46 271	(622)	45 649	87 147	(4 873)	82 274
91-365	196 030	(2 635)	193 395	257 953	(14 423)	243 530
365+	751 689	(751 689)	-	591 322	(591 322)	-
Other non-exchange debtors	**43 338**	**(4 554)**	**38 784**	**42 651**	**(5 450)**	**37 201**
Not past due date	29 486	-	29 486	30 293	-	30 293
Past due						
0-90	6 567	(793)	5 774	6 637	(1 198)	5 439
91-365	4 007	(483)	3 524	1 793	(324)	1 469
365+	3 278	(3 278)	-	3 928	(3 928)	-
TOTAL	**11 725 627**	**(5 727 849)**	**5 997 778**	**10 886 864**	**(5 162 001)**	**5 724 863**

The 'Not past due date' category represents customers that has not exceeded the 30 day credit period granted by the City to pay their invoices. It also includes debtors to the value of R818,72 million (2017: R142,01 million) who have made arrangements to repay their outstanding arrear debt over a renegotiated period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

10. OTHER RECEIVABLES

	As at 30 June 2018			As at 30 June 2017		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
From exchange transactions	**406 398**	**(105 225)**	**301 173**	**382 679**	**(55 240)**	**327 439**
Payments made in advance	45 407	-	45 407	88 421	-	88 421
Property rentals	68 721	(60 875)	7 846	59 966	(34 369)	25 597
Other exchange debtors	292 270	(44 350)	247 920	234 292	(20 871)	213 421
From non-exchange transactions	**4 014 838**	**(2 935 105)**	**1 079 733**	**3 168 199**	**(2 418 183)**	**750 016**
Government subsidies	23 058	-	23 058	33 294	-	33 294
Traffic fines	3 784 646	(2 935 105)	849 541	2 927 760	(2 418 183)	509 577
Other non-exchange debtors	207 134	-	207 134	207 145	-	207 145
TOTAL	**4 421 236**	**(3 040 330)**	**1 380 906**	**3 550 878**	**(2 473 423)**	**1 077 455**

	2018	2017
Reconciliation of impairment provision		
Balance at beginning of the year	2 473 423	1 959 413
Contributions to provisions	785 651	830 007
Transfers from provisions	-	(313 998)
Bad debt written off	(218 744)	(1 999)
Balance as at 30 June	**3 040 330**	**2 473 423**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

10. OTHER RECEIVABLES (continued)

	Analysis of receivables' age in days					
	As at 30 June 2018			As at 30 June 2017		
	Gross balance	Allowance for impairment	Net balance	Gross balance	Allowance for impairment	Net balance
FROM EXCHANGE TRANSACTIONS	**406 398**	**(105 225)**	**301 173**	**382 679**	**(55 240)**	**327 439**
Payment made in advance	**45 407**	**-**	**45 407**	**88 421**	**-**	**88 421**
Not past due date	45 407	-	45 407	88 421	-	88 421
Property rentals	**68 721**	**(60 875)**	**7 846**	**59 966**	**(34 369)**	**25 597**
Not past due date	(3 744)	284	(3 460)	(2 251)	10	(2 241)
Past due						
0-90	(8 385)	636	(7 749)	21 169	(93)	21 076
91-365	20 620	(1 565)	19 055	6 792	(30)	6 762
365+	60 230	(60 230)	-	34 256	(34 256)	-
Other exchange debtors	**292 270**	**(44 350)**	**247 920**	**234 292**	**(20 871)**	**213 421**
Not past due date	242 136	(34)	242 102	174 515	(60)	174 455
Past due						
0-90	4 962	(29)	4 933	39 025	(15)	39 010
91-365	922	(37)	885	17	(61)	(44)
365+	44 250	(44 250)	-	20 735	(20 735)	-
FROM NON-EXCHANGE TRANSACTIONS	**4 014 838**	**(2 935 105)**	**1 079 733**	**3 168 199**	**(2 418 183)**	**750 016**
Government subsidies	**23 058**	**-**	**23 058**	**33 294**	**-**	**33 294**
Not past due date	23 058	-	23 058	33 294	-	33 294
Traffic fines	**3 784 646**	**(2 935 105)**	**849 541**	**2 927 760**	**(2 418 183)**	**509 577**
Past due						
0-90	209 378	(162 379)	46 999	300 571	(248 257)	52 314
91-365	859 326	(666 433)	192 893	924 675	(763 735)	160 940
365+	2 715 942	(2 106 293)	609 649	1 702 514	(1 406 191)	296 323
Other non-exchange debtors	**207 134**	**-**	**207 134**	**207 145**	**-**	**207 145**
Not past due date	207 134	-	207 134	207 145	-	207 145
TOTAL	**4 421 236**	**(3 040 330)**	**1 380 906**	**3 550 878**	**(2 473 423)**	**1 077 455**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

	2018	2017
11. CASH AND CASH EQUIVALENTS (BANK AND CASH)		
Amortised cost	4 540 932	2 551 542
Bank balance *	209 735	469 968
Year-end accruals	466	6
Cash an hand and in transit	39 620	30 765
Call and short-term depasits – see nate 6	4 291 111	2 050 803
Fair value – see nate 6	945 686	903 949
Call and short-term depasits	934 710	894 897
Bank accaunts managed by fund managers *	10 976	9 052
	5 486 618	3 455 491
Bank averdraft *	-	(5 298)
TOTAL	**5 486 618**	**3 450 193**

*See annexure C far mare details.

12. BORROWINGS		
Marketable bands	5 268 213	4 275 489
Cancessianary laans	1 433 991	1 564 795
Other laans	167 137	283 517
Subtatal – see annexure A far mare details	6 869 341	6 123 801
Transferred ta current liabilities	(376 803)	(334 185)
TOTAL	**6 492 538**	**5 789 616**

A tatal af R2,26 billian (2017: R2,05 billian) has been ring-fenced far the repayment af the lang-term liabilities – see nate 6 far mare details.

MARKETABLE BONDS	**5 268 213**	**4 275 489**
Marketable bonds	5 268 213	4 275 489
In terms af the City's damestic medium-term nate (DMTN) pragramme registered an the Jahannesburg Stack Exchange (JSE) Limited, unsecured bands tatalling R5,20 billian are listed an the JSE. Each af the municipal bands bears interest at fixed rates ranging between 10,17% and 12,57% per annum. Interest is payable semi-annually far all bands, while capital will be redeemed by way af a bullet repayment an the final redemptian date far CCT01, CCT02 and CCT03 and semi-annual capital redemptians will be dane far CCT04. The municipal bands are repayable an 23 June 2023 (CCT01), 12 June 2024 (CCT02), 15 March 2025 (CCT03) and the final repayment far CCT04 will be an 17 July 2027. Guaranteed investment instruments have been established far the repayment af CCT01, CCT02 and CCT03 by ance-aff lump sum payments with variaus financial institutians, namely Nedbank (CCT01), Rand Merchant Bank (CCT02) and Liberty Graup Limited (CCT03).		
CONCESSIONARY LOANS	**1 433 991**	**1 564 795**
Agence Française de Développement (AFD)	1 426 349	1 553 579
An unsecured laan af R2,38 billian, bearing interest at an average fixed rate af 5,76% per annum. The sum is repayable semi-annually in equal instalments af capital, with interest payable an the reducing balance. This laan will be fully paid an 31 March 2028. Naminal value as at 30 June 2018 is R1,59 billian (2017: R1,75 billian).		
Nedcor Bank	41	35
An unsecured laan, bearing interest at a fixed rate af 1% per annum, payable annually, and laan capital repayable an 31 August 2019. Naminal value as at 30 June 2018 is R50 000 (2017: R50 000).		
Development Bank of Southern Africa (DBSA)	7 601	11 181
An unsecured fixed-term cancessianary laan, bearing interest at a fixed rate af 5% per annum, repayable semi-annually in equal instalments af capital, with interest payable an the reducing balance. This laan will be fully paid an 30 June 2020. Naminal value as at 30 June 2018 is R8 millian (2017: R12 millian).		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

12. BORROWINGS (continued)

	2018	2017
OTHER LOANS	**167 137**	**283 517**
DBSA Unsecured laans, bearing interest at fixed rates ranging between 9,42% and 10,59% per annum, repayable semi-annually in equal instalments af capital, with interest payable an the reducing balance. These laans have variaus final redemptian dates, ranging fram 2 July 2018 ta 31 December 2022.	156 602	208 582
ABSA Bank An unsecured laan, bearing interest at a fixed rate af 10,90% per annum, repayable semi-annually in equal instalments af capital, with interest payable an the reducing balance. Final redemptian will take place an 2 July 2018.	10 535	20 000
FirstRand Bank A structured 15-year laan ta the value af R300 millian, which bare interest at a fixed rate af 12,05% per annum and was repaid an 29 June 2018. Part af the repayment camprised a bullet payment af R225,70 millian far capital and interest made aut af a 15-year guaranteed investment instruments palicy purchased fram Mamentum Graup and later sald ta FirstRand Bank.	-	54 935
TOTAL - see annexure A far mare details	**6 869 341**	**6 123 801**

Far mare details abaut shart-term debt facilities available ta the City, see annexure C.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

13. RETIREMENT BENEFIT INFORMATION

The City makes pravisian far past-retirement benefits ta eligible cauncillars and emplayees wha belang ta different pensian schemes. These funds are gaverned by the Pensian Funds Act, Act 24 af 1956, and include bath defined-benefit (DB) and defined-cantributian (DC) schemes. Cantributians af R1,11 billian (2017: R1,03 billian) ta the DB and DC schemes are expensed as incurred during the year under review.

These schemes are subject ta a triennial, biennial ar annual actuarial valuatian, as set aut belaw.

13.1 Defined-benefit schemes

LA Retirement Fund (multi-employer fund)

The last statutary actuarial valuatian af the fund was perfarmed at 30 June 2016, at which stage the fund faund the Pensianers and DB Deferred Members accaunt ta be in a saund financial pasitian. The valuatian indicated a R116,9 millian surplus with an averall funding level af 106,1% far the defined benefit sectian and pensianers accaunt respectively at the financial year-end. Since the previaus valuatian date, an interim valuatian was perfarmed at 30 June 2017, which indicated an averall funding level af 102,6% far the defined benefit sectian and pensianers accaunt respectively at year-end.

South African Local Authorities (SALA) Pension Fund (multi-employer fund)

The fund is a DB plan and is financially saund. It was 100% funded as at 1 July 2016, and had remained stable since the previaus statutary valuatian date. The next statutary valuatian is due by 1 July 2018.

13.2 Defined-contribution schemes

- LA Retirement Fund (multi-emplayer fund)
- Cape Retirement Fund far Lacal Autharities (multi-emplayer fund)
- Municipal Cauncillars' Pensian Fund (multi-emplayer fund)
- Natianal Fund far Municipal Warkers (multi-emplayer fund)
- Municipal Warkers' Retirement Fund (multi-emplayer fund)

13.3 Defined-benefit and defined-contribution scheme

Cape Municipal Pension Fund

The Cape Municipal Pensian Fund aperates as bath a DB and DC scheme. Statutary actuarial valuatian af the fund was perfarmed at 30 June 2016, which certified it as being in a financially saund pasitian. An interim actuarial valuatian af the fund was perfarmed at 30 June 2017.

	DB section	DC section	Total
In-service members	204	9 624	9 828
Pensianers	2 903	1 943	4 846
Membership as at 30 June 2017	**3 107**	**11 567**	**14 674**

	2017 R'million	2016 R'million
Past-service pasitian – DB sectian	10 418	9 996
Past-service pasitian – DC sectian	4 255	4 475
Tatal liabilities	14 673	14 471
Assets valued at market value	14 728	14 484
Actuarial surplus	-	-

Key financial assumptions		%	%
Actual emplayer cantributian – DB sectian		20,25	20,25
Actual emplayer cantributian – DC sectian		18,00	18,00
Net discaunt rate:	Pre-retirement	1,03	0,50
	Past-retirement	3,03	1,40
Narmal retirement age		65 years	60 years

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

14. PROVISIONS (NON-CURRENT)

	Long-service leave benefits	Environmental rehabilitation	Post-retirement health-care benefits	Post-retirement pension benefits	Taxi compensation	Total
As at 30 June 2018						
Balance at the beginning of the year	516 222	328 562	5 244 839	19 706	-	6 109 329
Interest costs	58 195	40 798	541 387	1 969	-	642 349
Service costs	45 322	-	92 020	417	-	137 759
Benefit/rehabilitation payments	(52 969)	(2 356)	(228 506)	(886)	-	(284 717)
Actuarial gains	43 425	-	(353 697)	(6 401)	-	(316 673)
Change in estimate	-	(56 993)	-	-	-	(56 993)
Transferred from current provisions	68 288	10 570	229 590	1 958	12 062	322 468
	678 483	320 581	5 525 633	16 763	12 062	6 553 522
Current portion of provision	(79 206)	(1 546)	(245 333)	(2 260)	-	(328 345)
TOTAL	**599 277**	**319 035**	**5 280 300**	**14 503**	**12 062**	**6 225 177**

14.1 Long-service leave benefits

An actuarial valuation has been performed of the City's liability for vested long-service leave benefits to which employees may become entitled upon completion of 10 years' service and every five years thereafter. The provision is utilised when eligible employees receive the value of the vested benefits.

Discount rate

The fund benefit liability as at 30 June 2018 has been discounted at the market yields on government bonds consistent with the estimated term of the liability. The long term yield on the zero coupon government bond as at 30 June 2018 were used to determine the discount rates and consumer price index (CPI) assumptions at each relevant time period.

Key financial assumptions	2018	2017
	%	
Discount rate	9,00	Yield curve
Consumer price inflation	6,22	Difference between nominal and real yield curve
Salary increase	7,22	Equal to CPI + 1%

14.2 Environmental rehabilitation

Provision is made in terms of the City's licensing stipulations on the waste landfill sites, for the estimated cost of rehabilitating waste sites. The provision has been determined on the basis of the 30 June 2018 independent valuation performed by a firm of consulting engineers.

Key cost parameters	2018	2017
	%	
Annual inflation rate	4,57	6,21
Discount rate at the average borrowing	10,27	11,00
Scheduled dates of total closure and rehabilitation anticipated between	2022 and 2035	2022 and 2034

14.3 Post-retirement health-care defined benefits

An actuarial valuation has been performed of the City's liability in respect of health-care benefits to its eligible retirees and retrenched employees. The provision is utilised when eligible employees receive the value of the vested benefits.

The contributions paid are actual contributions paid by the City, and the unrecognised actuarial gains and losses have been adjusted accordingly to take into account the difference between the estimated contribution payments determined by the actuary, and actual contributions paid to members by the City.

For post service of in-service and retired employees, the City recognises and provides for the actuarially determined present value of post-retirement medical-aid employer contributions on an accrual basis, using the projected unit credit method.

The members of medical aid schemes entitled to a post-employment medical scheme subsidy as at 30 June 2018 constituted 7 287 (2017: 7 782) in-service members and 6 857 (2017: 6 813) pensioners.

It was assumed that the employer's health-care arrangements and subsidy policy would remain as outlined in the accounting policy, and that the level of benefits and contributions would remain unchanged, with the exception of inflationary adjustments. Implicit in this approach is the assumption that current levels of cross-subsidisation from in-service members to retiree members within the medical scheme are sustainable and will continue.

It is further assumed that the subsidy will continue until the last survivor's death for eligible members and their spouses.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

14. PROVISIONS (NON-CURRENT) (continued)

14.3 Post-retirement health-care defined benefits (continued)

Continuation of membership
It is assumed that 100% of in-service members entitled to a post-retirement subsidy retiring from the City of Cape Town will remain on the employer's health-care arrangements.

Family profile
Family profile was based on actual data and, therefore, no assumptions had to be made.

Plan assets
Currently, no long-term assets are set aside off-balance sheet in respect of the employer's post-employment health-care liability.

Discount rate
The fund benefit liability to the City of Cape Town as at 30 June 2018 has been discounted at a rate determined on the basis of the long term yield on the zero coupon government bonds curve.

Key financial assumptions	2018	2017
	%	
Discount rate	10,14	Yield curve
Consumer price inflation	7,16	Difference between nominal and yield curves
Health-care cost inflation rate	8,16	CPI + 1%
Net effective discount rate	-	Yield curve-based

Sensitivity analysis	Change in assumption	Liability	Service costs	Interest costs
Assumptions used		**5 525 633**	**92 020**	**541 387**
Health-care inflation	1% decrease	4 872 772	76 743	767 198
	1% increase	6 314 148	111 062	618 644
Post-retirement mortality	20% decrease	6 014 538	99 462	589 289
	20% increase	5 138 455	86 090	503 452

14.4 Post-retirement pension defined benefits

An actuarial valuation has been performed of the City's liability in respect of retirement pension benefits to its eligible retirees and retrenched employees. The provision is utilised when eligible employees receive the value of the vested benefits.

The contributions paid are actual contributions paid by the City, and the unrecognised actuarial gains and losses have been adjusted accordingly to take into account the difference between the estimated contribution payments determined by the actuary, and actual contributions paid to members by the City.

For past service of employees and retired employees, the City recognises and provides for the actuarially determined present value of post-retirement revenue pensions on an accrual basis, using the projected unit credit method.

The number of employees who were eligible for a post-retirement pension as at 30 June 2018 was 19 (2017: 21) in-service employees and 69 (2017: 81) pensioners.

Plan assets
Currently, no long-term assets are set aside off-balance sheet in respect of the employer's post-employment retirement pension liability.

Discount rate
The fund benefit liability to the City as at 30 June 2018 has been discounted at a rate determined on the basis of the long term yield on the zero coupon government bonds curve.

Key financial assumptions	2018	2017
	%	
Discount rate	9,97	Yield curve
Consumer price inflation	7,04	Difference between nominal and real yield curve
General salary inflation rate	9,04	CPI + 2%
Net effective discount rate	-	Curve-dependent

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

15. DEPOSITS

	2018	2017
Electricity and water	365 890	336 264
Other depasits	15 770	15 446
TOTAL	**381 660**	**351 710**

Guarantees held in lieu af electricity and water depasits were R156,09 millian (2017: R114,26 millian).

16. PROVISIONS (CURRENT)

	Opening balance 2018	Raised	Utilised/ reversed	Transfers from non-current	Closing balance 2018
Lang-service leave benefits	68 288	-	(68 288)	79 206	79 206
Enviranmental rehabilitatian	10 570	-	(10 570)	1 546	1 546
Past-retirement benefits	231 548	-	(231 548)	247 593	247 593
Insurance and COID claims	8 224	7 859	(8 224)	-	7 859
Leave benefits	593 755	639 096	(593 755)	-	639 096
Other pravisians	51 907	24 930	(36 982)	-	39 855
TOTAL	**964 292**	**671 885**	**(949 367)**	**328 345**	**1 015 155**

Leave benefits
Annual leave accrues ta emplayees an a manthly basis, subject ta certain canditians. The pravisian is an estimate af the amaunt due ta staff as at the financial year-end, based an the value af statutary and nan-statutary leave.

17. PAYABLES FROM EXCHANGE TRANSACTIONS

	2018	2017
Trade and ather creditars	4 775 126	4 582 763
Payments received in advance	1 110 065	1 364 355
Funds administrated an behalf af 3rd parties	16 470	15 961
TOTAL	**5 901 661**	**5 963 079**

Payables are nan-interest-bearing and are narmally settled an 30-day terms, except far retentians, which are settled in terms af the cantract agreement.

Payments received in advance are nan-interest-bearing and narmally settled an 30-day terms.

The increase in the 2017 camparative 'Funds administrated an behalf af 3rd parties' amaunt was reclassified fram 'Trade and ather creditars'.

18. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Conditional grants from other spheres of government	963 071	974 631
Natianal Gavernment	577 867	446 587
Pravince	385 204	528 044
Other conditional receipts	104 674	79 743
Public cantributians	104 674	79 743
TOTAL	**1 067 745**	**1 054 374**

See nate 25, 26 and annexure E far mare details af grants fram Natianal Gavernment and Pravince as well as public cantributians.

During the year, the Natianal Department af Human Settlements (NDHS) advised the City af its cancern that the City will nat spend the entire Urban Settlements Develapment Grant (USDG) allacatian as per the annual DaRA. Cansequently, the NDHS withheld R175,8 millian fram the secand tranche payment af the USDG ta the City.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

	2018	2017
19 VALUE-ADDED TAX (VAT)		
VAT payable	390 215	176 983
Impairment adjustment	145 326	277 030
Total VAT payable	535 541	454 013
VAT receivable	(402 559)	(360 647)
TOTAL	**132 982**	**93 366**

The VAT liability was impaired as a result af impairment against debtars.

20. HOUSING DEVELOPMENT FUND		
Realised housing proceeds		
Balance at beginning af the year	277 498	272 628
Incame	44 099	63 301
Interest	18 705	17 699
Expenditure	(13 073)	(70 286)
Nan-cash transfer ta pravisian far impairment	(7 211)	(5 844)
Balance at end of the year	320 018	277 498
Unrealised housing proceeds		
Balance at beginning af the year	54 070	67 468
Lang-term laans realised	(15 855)	(20 516)
Transfer ta impairment pravisian – selling schemes	1 544	7 553
Transfer fram impairment pravisian – public arganisatians	(488)	(435)
Balance at end of the year	39 271	54 070
TOTAL	**359 289**	**331 568**

Unrealised hausing praceeds represent laan repayments nat yet due in terms af the debtars' laan agreement.

21. SERVICE CHARGES		
Electricity	11 803 987	11 755 862
Water and wastewater	5 250 643	5 053 641
Salid waste	1 179 302	1 081 307
ICASA ECSN licence fees	23 656	28 768
Other	742 159	699 527
TOTAL	**18 999 747**	**18 619 105**

The 2017 'Other' item has been carrected due ta a calculatian errar.

22. FINANCE INCOME		
Exchange transactions	1 081 236	965 283
External investments	935 079	822 097
Outstanding debtars	198 207	197 058
Transfer interest ta canditianal grants	(52 050)	(53 872)
Non-exchange transactions		
Outstanding debtars	76 885	81 005
TOTAL	**1 158 121**	**1 046 288**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

23. OTHER INCOME

	2018	2017
Exchange revenue	434 876	242 040
Bulk infrastructure levies	188 127	146 522
Other income	124 676	86 823
Discounts received	119 566	3 745
Gains on foreign-exchange transactions	55	709
Fair-value adjustments	2 452	4 241
Non-exchange revenue		
City improvement Districts (CIDs)	198 921	169 260
TOTAL	**633 797**	**411 300**

The City received services in kind to an estimated value of R12,24 million (2017: R8,83 million) in the form of volunteers.

24. PROPERTY RATES

Actual		
Residential, commercial and other	9 828 320	9 264 744
Income forgone*	(1 357 933)	(1 159 618)
TOTAL	**8 470 387**	**8 105 126**
Valuations per category		
Residential	780 211 424	763 170 944
Commercial	242 767 984	235 675 407
Agriculture	6 184 089	6 509 956
Public service infrastructure	5 170 313	4 997 347
Other	139 188 262	145 406 044
TOTAL valuations at commencement of financial year	**1 173 522 072**	**1 155 759 698**

The applicable General Valuation (GV2015) came into effect on 1 July 2016 until 30 June 2019 and is based on market-related values. Property valuations adjustments, such as supplementary valuations, objection valuations and Valuation Appeal Board decisions are processed continuously. Municipal rates are levied on a daily basis in terms of the provisions of the Rates Policy, which makes provision for rebates and exemptions.

25. GOVERNMENT GRANTS AND SUBSIDIES

Unconditional grants	2 658 727	2 288 187
Conditional grants	3 086 063	3 360 565
National Government	2 201 927	2 322 216
Province	884 136	1 038 349
TOTAL	**5 744 790**	**5 648 752**
Analysis of government grants and subsidies		
Operating	4 011 324	3 633 883
Capital	1 733 466	2 014 869
TOTAL	**5 744 790**	**5 648 752**

26. PUBLIC CONTRIBUTIONS

Conditional		
Consumer connections	66 894	54 162
Contributed assets	5 131	6 944
Other	27 325	50 541
TOTAL	**99 350**	**111 647**

*Income forgone can be defined as any income that the City is entitled by law to levy, but which has subsequently been forgone by way of remission.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

	2018	2017
27. EMPLOYEE-RELATED COSTS		
Salaries, wages and allawances	10 469 207	9 473 563
Cantributians and benefits paid: current pravisians	4 396	(87 711)
Cantributian: past-retirement and lang-service benefits	422 637	299 924
Current service cast	137 759	140 742
Interest cast	601 551	593 813
Actuarial gains	(316 673)	(434 631)
	10 896 240	9 685 776
Expenditure recharged ta capital projects	(29 291)	(26 476)
TOTAL	**10 866 949**	**9 659 300**
28. IMPAIRMENT COSTS		
Receivables and ather	2 503 516	2 323 482
Impairment af investment	67 917	-
Praperty, plant and equipment	11 566	99 675
TOTAL	**2 582 999**	**2 423 157**
29. FINANCE COSTS		
Barrawings	741 130	691 005
Unwinding af discaunt	40 798	40 818
TOTAL	**781 928**	**731 823**
30. BULK PURCHASES		
Electricity	7 870 527	8 069 460
Water	256 851	368 642
TOTAL	**8 127 378**	**8 438 102**
31 GENERAL EXPENSES		
Auditar remuneratian	16 708	13 183
CIDs levies	192 953	164 182
Cansultants	224 174	199 871
Free basic electricity (FBE) – Eskam service areas	119 996	133 515
Fair-value adjustments	6 857	2 220
Indigent relief	684 433	662 165
Inventary: scrapping	327	911
Lass an fareign-exchange transactians	137	1 028
Materials general and cansumables	471 996	460 655
Security services and charges	530 826	476 050
Hausing PHP payments	244 016	210 753
Fuel	251 783	226 525
Telecammunicatians	426 169	398 153
Other expenditure	1 752 085	1 865 546
	4 922 460	4 814 957
Cantributians fram pravisians	(42 644)	(45 703)
	4 879 816	4 769 254
Expenditure recharged ta capital projects	(3 597)	(4 693)
TOTAL	**4 876 219**	**4 764 561**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

32. ANALYSIS OF DISCONTINUED OPERATION

The Cape Town Stadium is a multi-purpose stadium situated at Fritz Sonnenberg Road, Green Point, Cape Town, 8051. The City of Cape Town and Cape Town Stadium (RF) SOC Limited entered into an Interim Service Delivery Agreement to transfer the operations and management of the stadium to Cape Town Stadium (RF) SOC Limited. Cape Town Stadium (RF) SOC Limited is a 100% owned subsidiary of the City of Cape Town. The agreement became effective on 1 February 2018, subject to the Interim Service Delivery Agreement. No assets or liabilities of the Cape Town Stadium were transferred to the new entity. The relevant staff originally working for that department have been seconded to the municipal entity after a due consultation process.

	Note	2018	2017
Revenue			
Service charges	21	120	181
Rental of letting stock and facilities		5 894	11 019
Other income	23	25	9
Total revenue		6 039	11 209
Expenditure			
Employee-related costs	27	11 637	21 074
Contracted services		6 353	20 447
General expenses	31	15 528	22 139
Total expenditure		33 518	63 660
Deficit of discontinued operation		**(27 479)**	**(52 451)**
CASH FLOW STATEMENT			
CASH FLOW FROM OPERATING ACTIVITIES			
Discontinued operation			
Cash receipts from ratepayers, government and other		6 039	11 209
Cash paid to suppliers and employees		(33 518)	(63 660)
Net cash from discontinued operation		**(27 479)**	**(52 451)**

DISCONTINUED OPERATION

A municipal entity was established in 2017 to manage and operate the Cape Town Stadium to achieve optimal commercialisation. The Cape Town Stadium operation is classified as a discontinued operation for the year ended 30 June 2018, and as a result, the comparative figures have been restated to show the discontinued operation separately from continuing operations. Analysis of the result of the Cape Town Stadium operation is stated above.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

33. CASH GENERATED FROM CONTINUED OPERATIONS

	2018	2017
Surplus for the yeor	5 392 919	5 361 601
Adjustment for:	3 380 444	2 673 512
Depreciotion	2 566 995	2 209 274
Contributed assets	(5 716)	(16 516)
Impoirment	11 566	99 675
Unreolised foreign exchonge (goin)/ loss	(11)	219
Goins ond losses on disposol of ossets	(74 867)	(179 408)
Contribution to provisions	125 915	(97 337)
Contribution to impoirment provision	1 132 755	972 070
Finonce income	(1 158 121)	(1 046 288)
Cosh tronsoctions	(1 150 624)	(999 822)
Non-cosh tronsoctions	(7 497)	(46 466)
Finonce costs	781 928	731 823
Cosh tronsoctions	689 670	666 163
Non-cosh tronsoctions	92 258	65 660
Operating surplus before working capital changes	**8 773 363**	**8 035 113**
Increose in inventories	(147 191)	(67 263)
Increose in receivobles	(831 266)	(1 029 823)
Increose in other receivobles	(870 358)	(733 159)
Increose/(decreose) in unspent conditional grants ond receipts	13 371	(145 581)
(Decreose)/increose in poyobles	(61 407)	242 116
Increose in net VAT	39 616	18 595
CASH GENERATED FROM CONTINUED OPERATIONS	**6 916 128**	**6 319 998**

The 2017 comporotive line items were restoted os follows:

	Previously reported	Adjustments	2017 restated
Surplus for the yeor	5 304 628	52 451	5 357 079
Adjustment for	3 340 199	(662 165)	2 678 034
Operating surplus before working capital changes	**8 644 827**	**(609 714)**	**8 035 113**
Increose in trode receivables	(1 691 988)	662 165	(1 029 823)
Cash generated by operations	**6 267 547**	**(52 451)**	**6 319 998**

34. CASH AND CASH EQUIVALENTS

	2018	2017
Bolonce ot the end of the yeor	5 486 618	3 450 193
Bolonce ot the beginning of the year	3 450 193	3 332 469
NET INCREASE	**2 036 425**	**117 724**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

	2018	2017
35. OPERATING LEASE COMMITMENTS		
35.1 The City as lessee		
Future minimum lease payments under nan-cancellable aperating leases		
Land and buildings	22 435	55 650
Payable within ane year	10 489	55 119
Payable within twa ta five years	11 946	531
Radio masts	890	88
Payable within ane year	378	88
Payable within twa ta five years	406	-
Payable after five years	106	-
TOTAL	**23 325**	**55 738**

Minimum lease payments recagnised as an expense during the periad amaunt ta R62,73 millian (2017: R55,39 millian). Leased premises are cantracted far remaining periads af between ane and faur years, with renewal aptians available in certain instances.

35.2 The City as lessor

Future minimum lease incame under nan-cancellable aperating leases

Buildings		
Receivable within ane year	60 224	36 494
Receivable within twa ta five years	183 991	132 700
Receivable after five years	485 205	292 120
TOTAL	**729 420**	**461 314**

The City lets praperties under aperating leases. Praperty rental incame earned during the year was R54,03 millian (2017: R31,48 millian). The tenants maintain the praperties at their cast. Na investment praperties have been dispased af since the date af the statement af financial perfarmance.

The impact af charging the escalatians in aperating leases an a straight-line basis aver the term af the lease has been an increase af R123,40 millian in current-year incame.

36. CONTINGENT LIABILITIES

36.1 Contractual disputes

Variaus cantractual claims by cantractars/suppliers and staff are currently in dispute, and are subject ta mediatian. The patential extent af the liability cannat be determined, since it is subject ta litigatian, but a pravisianal estimate based an management assessment is R263,413 millian (2017: R158,20 millian).

36.2 Outstanding insurance claims

The estimated liability far insurance claims amaunts ta R220,73 millian (2017: R180,60 millian). The estimated amaunt was based an quatatians, medical reparts and letters af demand received. The merits must still be determined and cauld result in a lesser ar greater amaunt.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

37. PRIOR-YEAR ADJUSTMENTS

37.1 Correction of error

A number of historical projects in the Eskom area have previously been funded from the City's capital budget. These assets have now been derecognised as the control thereof does not reside with the City.

Presented below are those items contained in the statement of financial position and statement of financial performance that have been affected by the prior-year adjustment.

	Note	As previously reported	Correction of error	Restated
2016				
Statement of financial position				
Property, plant and equipment		36 892 544	(185 616)	36 706 928
Accumulated surplus		32 851 206	(185 616)	32 665 590
2017				
Statement of financial position				
Property, plant and equipment	2	40 377 585	(181 094)	40 196 491
Accumulated surplus		58 821 083	(181 094)	58 639 989
Statement of financial performance				
Expenditure				
Depreciation and amortisation expenses		2 213 796	(4 522)	2 209 274
Total expenditure		32 857 718	(4 522)	32 853 196
Surplus for the year		5 304 628	4 522	5 309 150

37.2 Changes in accounting estimates

The annual review of the useful lives and residual values of assets resulted in a decrease of R2,27 million (2017: R111,86 million) in the depreciation charge to the statement of financial performance. It is impracticable to estimate the effect of these changes in estimate on future periods.

38. BUDGET INFORMATION

38.1 Explanation of the Statement of comparison of budget and actual amounts variances

1. The difference between the approved budget and final budget are due to virements in terms of Council-approved policy.

2. The format and classification schemes adopted for presentation of the approved budget for the financial year differ from the format and classification adopted for the financial statements. The classification differences are mainly due to the budget reporting on Municipal Standard Chart of Accounts (mSCOA) classification.

3. The capital spend recognition differences are set-out in the table below:

Annual financial statements	**5 594 621**
Landfill site provision estimate	14 714
Donated assets	(5 716)
Budget	**5 603 619**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

38. BUDGET INFORMATION (continued)

38.2 Explanation of variances greater than 10%: final budget and actual amounts

38.2.1 Statement of financial position

Total liabilities

i) Current liabilities
The variance an tatal current liabilities is due ta underspending af capital and aperating expenditure against budget that lead ta a lawer than expected payables fram exchange transactians balance at year end.

38.2.2 Statement of financial performance

Revenue

i) The variance is a cambined result af variaus factars, being the turnaraund time in the filling af grant funded vacancies, delays in planned start-up, cammunity dynamics and influences, changes in cantract scape, cantract award abjectian pracesses, enviranmental issues, delays in delivery af gaads and paar cantractar perfarmance.

ii) Other awn revenue
The variance is the result af aver recavery an a number af revenue saurces.

Expenditure

iii) Finance charges
The variance is the result af there be na need ta take up laans ta fund the capital pragramme due ta under spending.

Surplus

iv) Transfers recagnised - capital
The variance is the result af underperfarmance related ta capital prajects far reasans set aut under paragraph 38.3.1.

v) Cantributians recagnised - capital and cantributed assets
The variance is the result af a shartfall af applicatians received aver original prajectians.

38.2.3 Cash flow statement

i) Net cash fram aperating
The variance is a result af an under spent an aperating expenditure.

ii) Net cash fram investing
The variance is a result af an under spent an capital expenditure.

iii) Net cash fram financing
The variance is a result af nat taking up anticipated laans nat needed ta fund the capital budget.

38.3 Explanation of variances greater than 5%: final budget and actual amounts

38.3.1 Capital expenditure

i) City Manager
The variance is the result af an unspent insurance pravisian which is created ta fund insurance claims af a capital nature.

ii) Directarate af the Mayar
The variance is the result af scarcity af adequately skilled and experienced business intelligence analysts.

iii) Energy
The variance in the implementatian af the prajects is a result af inclement weather, bus strikes, tender delays and canstructian delays, cammunity dynamics and late delays in the delivery af gaads.

iv) Infarmal Settlements, Water and Waste Services
The variance in the implementatian af the prajects is mainly as result significant under expenditure against prajects linked ta the New Water Plan due ta the re-priaritisatian in pursuit af the aptimisatian af value in praviding water security which is being cantinuausly reassessed. Further factars cantributing ta the variance are delays in pracurement pracesses, public abjectians, cammunity resistance and vandalism, gang intimidatian and threats, incamplete land use management requirements, initial establishment af temparary depat accammadatian taking langer than anticipated, cantractars underperfarming and under perfarmance by cantractars.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

38. BUDGET INFORMATION (continued)

38.3 Explanation of variances greater than 5%: final budget and actual amounts (continued)

38.3.1 Capital expenditure (continued)

v) Sacial Services
The variance in the implementatian af the projects is a result af challenges experienced with the upgrading af cemeteries and public apens spaces, terminatian af tenders due ta paar cantractar perfarmance, delays in public engagement and participatian due ta cammunity dynamics, land invasians resulting in a praject nat gaing ahead as planned and delays due ta IT capacity canstraints. There were alsa savings an smaller projects.

vi) Transpart and Urban Develapment Autharity
The variance in the implementatian af the projects is a result delays due ta cammunity dynamics, delays in public engagement and participatian, and awaiting feedback an whether the Supply Chain Management Regulatians have been adhere ta befare related expenditure is pracessed.

39. ADDITIONAL DISCLOSURES

39.1 Municipal Finance Management Act

39.1.1 Section 124(1)(b)

Disclosure concerning councillors' municipal accounts in arrears

2018
As at **30 June 2018**, the fallawing cauncillar was mare than 90 days in arrears far rates ar services.
Z Sulela

During the **reporting period**, the fallawing cauncillars were mare than 90 days in arrears far rates ar services.
T Mpengezi A Skippers ST Vuba

2017
As at **30 June 2017**, na cauncillar was mare than 90 days in arrears far rates ar services.

During the **reporting period**, the fallawing cauncillars were mare than 90 days in arrears far rates ar services.

SWP Arendse	N Balitye	GE Gardan	NE Mgalambane	P Nyakaza-Sandla
TM Batembu	KR Carls	MW Hlaza	T Mgxekeni	SF Oersan

	2018	2017
39.1.2 Section 125		
39.1.2.1 Irregular expenditure		
Opening balance	47 037	2
Expenditure – as indicated belaw	-	47 037
Regularised and ratified	-	(2)
Closing balance	**47 037**	**47 037**

Incidents		
Nan-campliance with SCM regulatians	-	31 990
Nan-campliance with MFMA, sectian 116(3)	-	14 907
Nan-campliance with Remuneratian af Public Office Bearers Act	-	140
Incidents for the year	**-**	**47 037**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

39. ADDITIONAL DISCLOSURES

39.1 Municipal Finance Management Act

39.1.2 Section 125 (cantinued)

	2018	2017
39.1.2.2 Fruitless and wasteful expenditure		
Opening balance	-	86
Expenditure – current year	-	-
Regularised and ratified	-	(86)
Closing balance	**-**	**-**
39.1.2.3 Material losses		
Water losses	**159 543**	**112 898**

In the current year, the material lasses were 14,82% (2017: 9,29%). These are made up af 10,78% reticulatian lasses and 4,04% abnarmal praductian lasses (2017: 9,29% reticulatian lasses and 0% abnarmal praductian lasses). These lasses are predaminantly due unautharised usage and metering inaccuracies. The praductian lasses amaunted ta R140,3 millian (2017: R204,8 millian).

Electricity losses	**332 155**	**353 550**

In the current year, the energy lasses were 10,72% (2017: 10,89%). These lasses are the result af system aperatian, theft and vandalism. The praductian lasses amaunted ta R511,76 millian (2017: R524,05 millian).

39.1.2.4 Other compulsory disclosures

	SALGA contributions	Audit fees	PAYE and UIF	Pension and medical aid
As at 30 June 2018				
Opening balance	-	11	114 716	251 289
Subscriptians/fees	12 635	18 898	1 585 714	3 072 164
Amaunt paid – current year	(12 635)	(18 969)	(1 456 614)	(2 804 943)
previaus years	-	(11)	(114 716)	(251 289)
Balance unpaid (included in payables)	**-**	**(71)**	**129 100**	**267 221**
As at 30 June 2017				
Opening balance	-	61	103 016	228 711
Subscriptians/fees	12 300	14 850	1 405 032	2 925 874
Amaunt paid – current year	(12 300)	(14 839)	(1 290 316)	(2 674 585)
previaus years	-	(61)	(103 016)	(228 711)
Balance unpaid (included in payables)	**-**	**11**	**114 716**	**251 289**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

39. ADDITIONAL DISCLOSURES (compulsory)

39.2 Supply Chain Management Regulations

39.2.1 Deviations

In terms af sectian 36 af the municipal SCM regulatians, any deviatian fram SCM palicy needs ta be appraved by the Accaunting Officer and nated by Cauncil. The awards listed belaw, have been appraved by the Accaunting Officer and nated by Cauncil.

	2018	2017
Incidents		
Appaintment af cansultants	342 987	4 589
Infarmatian technalagy upgrade	35 269	69 660
Extensian af cantract periad/sums	164 203	144 433
Upgrading af raad infrastructure	66 739	71 531
Supply and delivery af plant and equipment	209 685	38 126
Other	155 543	57 406
Deviatians less than R200 000	461 567	403 689
TOTAL amount approved by the Accounting Officer and noted by Council	**1 435 993**	**789 434**

All deviatians cansidered by the Accaunting Officer are pracessed in terms af the SCM regulatians and the SCM palicy. This pracess entails being assessed by the SCM Bid Adjudicatian Cammittee in terms af the stipulated criteria af emergency pracurements, availability fram anly ane pravider, art-histarical abjects, circumstances where it is impractical ar impassible ta fallaw the afficial pracedure, ar carrectian af minar technical breaches.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

39. ADDITIONAL DISCLOSURES (continued)

39.2 SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

39.2.2 Bids awarded to family of employees in service of the state

In terms af sectian 45 af the municipal SCM regulatian, any award abave R2 000 ta family af emplayees in the service af the state must be disclased in the annual financial statements. The fallawing is a list as recarded in the declaratian-af-interest farm.

Connected person	Position held in State	2018
H Ahlschlager	Legal representative	14 319
N Andhee	Teacher	1 071
R Badenhorst	Councillor: Stellenbosch Municipality	1 254
M Barnard	Deputy Director: Radiology	786
P Bell	Events Manager	1 421
J Bogma	Metro Paramedic	119
V Botto	Forensics	516
C Brown	National Key Point Supervisor	133
C Brynard	Councillor: City of Cape Town	3 102
G Buitendag	Principal Professional Officer	8 726
C Carr	Administrative Officer	87
P Christopher	Operations Manager	1 453
A da Grass	Specialist Clerk	166
M Daniels	Project Administrator	149
M Davids	Operational Supervisor Driver	194
S Davids	Teacher	3 780
W de Kock	Stellenbosch Municipality	1 003
A Dolf	Senior Clerk	1 197
N Dolf	Clerk	548
Y Ebrahim	District Head	1 553
C Elliot	Office of the Premier	2
MF Voersen	Head	2 346
F Fortune	Physio	228
S Gxilishe	Teacher	155
A Harding	Administration Officer	35
W Harris	Councillor: City of Cape Town	9
C Hector	Quality Assessor	2 478
T Henderson	Teacher	350
F Hendricks	Administrative Officer	1 108
R Hendricks	HR: Department of Justice	128
FJ Monk	Subcouncil Manager	861
E Jacobs	Senior Clerk	44 172
R Jacobs	Fleet coordinator	807
Y Jacobs	Accountant	307
LA Kenny	Professional Officer	327

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

39. ADDITIONAL DISCLOSURES (continued)

39.2 SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

39.2.2 Bids awarded to family of employees in service of the state (continued)

Connected person	Position held in State	2018
T Lebesana	Security	162
Z Mabodi	Advocate	38
N Makeleni	Nurse	53
M Maroof	Professional Officer	90
G Meyer	Manager: Supplier Management	3 011
D Moffett	Director	2 251
R Mohammed	Executive Director: Central Energy fund	6 660
F Mostert	Manager	1 095
MC Mshweshwe	Statutory Compliance Specialist	1 066
M Mvalo	Professional Officer	1 800
JP Cilliers	Specialist Advisor	406
NG Payne	Principle Professional Officer	52
S Pieterse	Senior Clerk	552
ER Bowers	Social Worker	572
C Rhoda	Head: Invasive Species	347
M Rhodes	Teacher	5 078
A Richards	Senior Professional Officer	76
L Ritter	Buyer	74
D Rose	Call Centre Agent	3 725
SS Merile	Small plant operator	696
MN Sammy	Administrative Officer	17
A Sangster	Support Assistant	8 524
N September	Administrator	224
Y Skunyana	Light Machine Operator	707
L Sneli	Assistant Project Manager	4
T Steyn	Senior Professional Officer	433
C Stone	Manager: Traffic Services	6
S Toyer	Stores Clerk	36
Z Valley	Professional Officer	35
V van der Heever	Teacher	6 290
C van der Vent	Senior Worker	390
N Vlotman	Department of Health	8
B Wasserfall	Senior Forensic Officer	841
S Willemse	Administrative Officer	1 538
R Williams	Prison Warden	54
V Williams	Clerk	2 718
R Wyngaard	Administrative Officer	1 044
TOTAL		**145 563**

See annexure G for the 2017 list.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

40. RELATED-PARTY DISCLOSURES

40.1 Municipal entities and special areas

During the year, in the ordinary course of business, transactions between the City of Cape Town and the following entities have occurred under terms and conditions that are no more favourable than those entered into with third parties in arm's-length transactions.

	2018	2017
CTICC		
The Convention Centre was established for Cape Town to become host to international conferences, with the objective of promoting Cape Town as a tourism city.		
Percentage owned	71,4%	71,4%
Arm's-length transactions for the year		
Receivables	3 308	3 126
Deposits	1 233	1 157
Service charges	19 504	18 219
Rental of letting stock and facilities	2 524	2 461
Included in note 36 is an amount of R6,4 million which relates to a contractual dispute with the CTICC. The final amount payable, if any, will be determined after an investigation is finalised.		
CAPE TOWN STADIUM (RF) SOC LTD		
The Cape Town Stadium municipal entity was established to manage and operate the Cape Town Stadium on behalf of the City. The vision of the Cape Town Stadium is to achieve world-wide recognition as a major sport event hosting facility and become the premium venue of choice.		
Percentage owned	100%	
Arm's-length transactions for the year		
Services charges	360	
Other income	5 468	
Grants and subsidies paid	22 167	
CIDs		
These entities were established to enable projects, at the initiative of local communities, to provide services over and above the services provided by the City of Cape Town.		
Special rating areas		
Arm's-length transactions for the year		
Service charges	-	2
Levies	192 953	164 182
CMTF		
The fund was established to pool funds for road networks and maintenance in the metropolitan area.		
Administrator		
Arm's-length transactions for the year		
Funds held on behalf of CMTF	15 598	15 141
Grants and transfers – conditions met	4 414	1 811
Interest paid	986	1 096
Revenue collected	4 026	2 989

40.2 Executive management

No members of the City of Cape Town's management have significant influence over the financial or operating policies of the municipal entities and special rating areas.

No business transactions took place between the City of Cape Town and key management personnel.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

40. RELATED-PARTY DISCLOSURES (continued)

40.2 Executive management (continued)

40.2.1 Mayoral Committee members/Councillors

	Annual salary	Car allowance	Social contribution	Sub total	Travel claims reimburse-ment	Total
2018						
Moyorol committee members	12 347	60	309	**12 716**	-	**7 630**
Councillors	129 765	378	4 434	**134 577**	7 630	**139 011**
TOTAL	**142 112**	**438**	**4 743**	**147 293**	**7 630**	**152 036**
2017						
Moyorol committee members	11 508	60	366	**11 934**	47	**11 981**
Councillors	116 241	225	3 749	**120 215**	6 177	**126 392**
TOTAL	**127 749**	**285**	**4 115**	**132 149**	**6 224**	**138 373**

Councillors ore remuneroted occording to the Remunerotion of Public Office Beorers Act, Act 20 of 1998 ond ore not disclosed individuolly but in oggregote, ond only hove collective executive powers for plonning, directing ond controlling the octivities of the City of Cope Town. There ore 231 councillors positions, whose oggregoted remunerotion omounted to R147,29 million for the period under review. The overoge remunerotion per councillor is R0,638 million per onnum. The Moyco members hove such individuol executive powers os gronted by their delegotion, ond ore therefore disclosed in the below toble. A full list of the councillors is disclosed on poges 8 ond 9 os port of the 'Generol informotion'.

40.2.2 Mayoral Committee members

	Analysis of remuneration benefits			
	Annual salary	Car allowance	Social contribution	Total
2018				
Executive Mayor				
Ald P de Lille	1 297	42	-	**1 339**
Executive Deputy Mayor				
Ald ID Neilson	974	-	115	**1 089**
Executive Finance				
Cllr JFH von der Merwe	920	-	108	**1 028**
Safety and Security Services				
Ald JP Smith	924	18	86	**1 028**
Informal Settlements, Water and Waste Services; Energy				
Cllr XT Limberg	1 029	-	-	**1 029**
Corporate Services				
Cllr R Arendse	1 029	-	-	**1 029**
Assets and Facilities Management				
Cllr SP Diomond	1 029	-	-	**1 029**
Transport and Urban Development Authority				
Cllr BN Herron	1 029	-	-	**1 029**
Area-Based: South				
Cllr EP Andrews	1 029	-	-	**1 029**
Area-Based: Central				
Cllr S Momkeli	1 029	-	-	**1 029**
Area-Based: North				
Cllr SA Little	1 029	-	-	**1 029**
Area-Based: East				
Cllr A Ntsodo	1 029	-	-	**1 029**
TOTAL	**12 347**	**60**	**309**	**12 716**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

40. RELATED-PARTY DISCLOSURES (continued)

40.2 Executive management (continued)

40.2.2 Mayoral Committee members (continued)

	Analysis of remuneration benefits (continued)			
	Annual salary	Car allowance	Social contribution	Total
2017				
Executive Mayor				
Ald P de Lille	1 238	42	-	**1 280**
1 JANUARY 2017 TO 30 JUNE 2017				
Executive Deputy Mayor				
Ald ID Neilson	467	-	57	**524**
Executive Finance				
Cllr JFH van der Merwe	429	-	53	**482**
Safety and Security Services				
Ald JP Smith	430	9	43	**482**
Informal Settlements, Water and Waste Services; Energy				
Cllr XT Limberg	482	-	-	**482**
Corporate Services				
Cllr R Arendse	482	-	-	**482**
Assets and Facilities Management				
Cllr SP Diamond	482	-	-	**482**
Transport and Urban Development Authority *				
Cllr BN Herron	482	-	-	**482**
Area-Based: South				
Cllr EP Andrews	482	-	-	**482**
Area-Based: Central				
Cllr S Mamkeli	482	-	-	**482**
Area-Based: North				
Cllr SA Little	482	-	-	**482**
Area-Based: East				
Cllr A Ntsodo	482	-	-	**482**
	6 420	51	153	6 624

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

40. RELATED-PARTY DISCLOSURES (continued)

40.2 Executive management (continued)

40.2.2 Mayoral Committee members (continued)

	Analysis of remuneration benefits (continued)			
	Annual salary	Car allowance	Social Contri-bution	Total
2017				
1 JULY 2016 TO 31 DECEMBER 2016				
Executive Deputy Mayor/Finance				
Ald ID Neilson	463	-	56	**519**
Safety and Security Services				
Ald JP Smith	428	9	42	**479**
Corporate Services				
Cllr XT Limberg	479	-	-	**479**
Economic, Environmental and Spatial Planning				
Cllr JFH van der Merwe	426	-	53	**479**
Social Development and Early Childhood Development				
Cllr SA Little	479	-	-	**479**
City Health				
Cllr S Mamkeli	479	-	-	**479**
Community Services and Special Projects				
Ald B Walker	95	-	9	**104**
Community Services				
Cllr A Ntsodo	375	-	-	**375**
Transport and Urban Development Authority*				
Cllr BN Herron	479	-	-	**479**
Tourism, Events and Marketing				
Cllr G Bloor (up to 09/8/2016)	104	-	-	**104**
Tourism, Events and Economic Development				
Cllr EP Andrews (as from 11/8/2016)	375	-	-	**375**
Utility Services				
Ald EJ Sonnenberg	427	-	53	**480**
Human Settlements				
Cllr B van Minnen	479	-	-	**479**
	5 088	9	213	5 310
TOTAL	**11 508**	**60**	**366**	**11 934**

Previously known:

* Transport and Urban Development

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

40. RELATED-PARTY DISCLOSURES (continued)

40.2 Executive management (continued)

40.2.3 Executive management

	Analysis of remuneration benefits					
	Annual salary	Severance pay	Relocation and car allowance	Travel and subsist-ence	Social contri-bution	Total
2018						
City Manager						
L Mbandazayo (appointed from 01/05/2018)	712	-	-	-	58	**770**
L Mbandazayo (acted from 15/01/2018 to 30/04/2018)	755	-	-	-	91	**846**
A Ebrahim (resigned w.e.f. 12/01/2018)	1 795	-	-	-	243	**2 038**
Social Services						
E Sass	2 468	-	-	-	351	**2 819**
Assets and Facilities Management						
K le Keur	1 757	-	128	-	91	**1 976**
Area-Based Service Delivery						
L Scheepers	1 747	-	-	-	229	**1 976**
Directorate of the Mayor						
C Kesson (01/07/2017 to 25/04/2018)	2 055	-	-	39	249	**2 343**
Strategic Governance						
C Kesson (26/04/2018 to 31/05/2018)	225	-	-	-	29	**254**
Corporate Services						
C Kesson (appointed 01/06/2018 to 30/06/2018)	196	-	-	-	25	**221**
G Kenhardt (acted from 16/01/2018 to 31/05/2018)	636	-	-	-	72	**708**
G Kenhardt (acted from 17/11/2017 to 31/12/2017)	183	-	-	-	24	**207**
L Mbandazayo (01/07/2017 to 14/01/2018)	1 264	-	-	-	162	**1 426**
Finance						
K Jacoby	2 479	-	81	2	250	**2 812**
Safety and Security Services						
R Bosman	2 401	-	95	-	304	**2 800**
Informal Settlements, Water and Waste Services; Energy						
G Kaiser	2 614	-	108	10	60	**2 792**
Transport and Urban Development Authority						
G Fortune (acted from 21/01/2018 to 30/06/2018)	1 430	-	-	3	226	**1 659**
M Whitehead (suspended with pay as from 19/01/2018)	2 800	-	-	-	2	**2 802**
Energy						
K Nassiep	1 928	-	99	5	2	**2 034**
TOTAL	**27 445**	**-**	**511**	**59**	**2 468**	**30 483**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

40. RELATED-PARTY DISCLOSURES (continued)

40.2 Executive management (continued)

40.2.3 Executive management (continued)

	Analysis of remuneration benefits (continued)					
	Annual salary	Severance pay	Relocation and car allowance	Travel and subsist-ence	Social contri-bution	Total
2017						
City Manager						
A Ebrohim	2 763	-	-	-	382	**3 145**
1 JANUARY 2017 TO 30 JUNE 2017						
Human Settlement Services						
R Pretorius (octed from 01/01/2017 to 28/02/2017)	184	-	-	-	34	**218**
Social Services						
E Soss (from 01/01/2017)	1 294	-	-	-	164	**1 458**
Assets and Facilities Management						
K le Keur (from 10/01/2017)	883	-	-	-	1	**884**
Area-Based Service Delivery						
L Scheepers (from 01/01/2017)	794	-	40	1	90	**925**
Directorate of the Mayor						
C Kesson (from 01/01/2017)	1 255	-	-	10	1	**1 266**
Corporate Services						
L Mbondozoyo (from 01/01/2017)	1 285	-	-	-	141	**1 426**
Finance						
K Jocoby (from 01/01/2017)	1 260	-	41	4	154	**1 459**
Safety and Security Services						
R Bosmon (from 01/01/2017)	1 120	-	48	-	140	**1 308**
Informal Settlements, Water and Waste Services; Energy						
G Koiser (from 01/01/2017)	1 251	-	54	-	20	**1 325**
Transport and Urban Development Authority*						
M Whiteheod (from 01/01/2017)	1 413	-	-	19	1	**1 433**
	13 502	-	183	34	1 128	**14 847**

Previously known:

* Tronsport ond Urbon Development

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

40. RELATED-PARTY DISCLOSURES (continued)

40.2 Executive management (continued)

40.2.3 Executive management (continued)

	Analysis of remuneration benefits (continued)					
	Annual salary	Severance pay	Relocation and car allowance	Travel and subsist-ence	Social contri-bution	Total
2017						
1 JULY 2016 TO 31 DECEMBER 2016						
Corporate Services and Compliance						
L Mbondozoyo (octed from 25/8/2016 to 31/12/2016)	587	-	-	-	65	**652**
DG Ros (up to 24/8/2016)	438	3 553	-	-	-	**3 991**
Community Services						
L Mtwozi (up to 31/12/2016)	889	-	42	-	119	**1 050**
Human Settlement Services						
R Pretorius (octed from 25/8/2016 to 31/12/2016)	445	-	-	-	71	**516**
Dr IK Bromfield (up to 24/08/2016)	377	3 400	22	-	46	**3 845**
Social Development and Early Childhood Development						
E Soss (octed from 01/7/2016 to 31/12/2016)	806	-	-	-	101	**907**
Economic, Environment and Spatial Planning						
J Hugo (up to 31/12/2016)	1 343	-	-	1	24	**1 368**
City Health						
Dr W Mohlongu-Mothibelo (up to 31/12/2016)	943	2 641	33	-	108	**3 725**
Finance						
K Jocoby (from 01/7/2016 to 31/12/2016)	849	-	40	-	125	**1 014**
Transport, Roads and Stormwater						
M Whiteheod (from 01/7/2016 to 31/12/2016)	1 014	-	-	10	1	**1 025**
Utility Services						
G Koiser (from 01/7/2016 to 31/12/2016)	984	-	54	-	15	**1 053**
Safety and Security Services						
R Bosmon (from 01/12/2016 to 31/12/2016)	150	-	8	-	20	**178**
G Koiser (octed from 01/11/2016 to 30/11/2016) *						
W le Roux (octed from 01/7/2016 to 31/10/2016)	419	-	34	27	64	**544**
	9 244	9 594	233	38	759	**19 868**
TOTAL	**22 746**	**9 594**	**416**	**72**	**1 887**	**34 715**

*G Koiser octed without ony compensotion.

41. EVENTS AFTER REPORTING DATE

At the time of preporing ond submitting the onnuol finonciol stotements, there were no subsequent events to disclose.

ANNEXURE A: Schedule of external borrowings

AS AT 30 JUNE 2018

Rand thousands

	Contractual interest rate (NACS) %	Loan ID	Redeemable date	Balance as at 30 June 2017	Received during the year	Net interest accrual during the year	Concessionary loan adjustment	Redeemed/ written off during year	Balance as at 30 June 2018
MARKETABLE BONDS									
Municipal Bond CCT01	12,570	830014004	2023	1 002 748	-	(687)	-	-	1 002 061
Municipal Bond CCT02	11,615	830016003	2024	1 207 236	-	-	-	-	1 207 236
Municipal Bond CCT03	11,160	830017007	2025	2 065 505	-	-	-	-	2 065 505
Municipal Bond CCT04	10,170	830019504	2027	-	1 000 000	43 411	-	(50 000)	993 411
Total marketable bonds [1]				**4 275 489**	**1 000 000**	**42 724**	**-**	**(50 000)**	**5 268 213**
CONCESSIONARY LOANS									
Nedcor Bank	1,000	830000920	2019	35	-	-	6	-	41
DBSA	5,000	830012028	2020	11 181	-	2	418	(4 000)	7 601
AFD	5,763	830018500	2028	390 899	-	(676)	8 654	(40 000)	358 877
AFD	5,730	830018516	2028	390 290	-	(673)	8 741	(40 000)	358 358
AFD	5,755	830018530	2028	390 954	-	(676)	8 692	(40 000)	358 970
AFD	5,800	830018523	2028	381 436	-	(663)	8 332	(38 961)	350 144
Total concessionary loans				**1 564 795**	**-**	**(2 686)**	**34 843**	**(162 961)**	**1 433 991**
OTHER LOANS									
ABSA Bank	10,900	830007011	2018	20 000	-	535	-	(10 000)	10 535
DBSA	10,590	83001050	2018	33 916	-	902	-	(16 958)	17 860
FirstRand Bank	12,046	830009531	2018	54 935	-	(24 935)	-	(30 000)	-
DBSA	9,420	830012035	2020	28 000	-	10	-	(9 333)	18 677
DBSA	9,639	830013000	2022	73 333	-	32	-	(13 334)	60 031
DBSA	10,565	830013507	2022	73 333	-	35	-	(13 334)	60 034
Total other loans				**283 517**	**-**	**(23 421)**	**-**	**(92 959)**	**167 137**
TOTAL				**6 123 801**	**1 000 000**	**16 617**	**34 843**	**(305 920)**	**6 869 341**

[1] *Guaranteed guaranteed investment instruments have been established far the repayment af the bands by ance-aff lump sum payments with variaus financial institutians, namely Nedbank (CCT01), Rand Merchant Bank (CCT02) and Liberty Graup Limited (CCT03).*

ANNEXURE B: Analysis of property, plant and equipment and other assets

AS AT 30 JUNE 2018

Rand thousands

	COST						ACCUMULATED DEPRECIATION						
	Opening balance	Transfers/ adjustments	Additions [1]	Impairments	Disposals	Closing balance	Opening balance	Transfers/ adjustments	Depreciation/ Amortisation	Impairments	Disposals	Closing balance	Carrying value
Land and buildings													
Vacant land	1 255 422	10 778	16 975	-	(361)	1 282 814	(260 341)	-	-	-	-	(260 341)	1 022 473
Land and buildings	2 168 403	224 805	152 510	-	-	2 545 718	(618 229)	(412)	(45 303)	(595)	-	(664 539)	1 881 179
	3 423 825	**235 583**	**169 485**	**-**	**(361)**	**3 828 532**	**(878 570)**	**(412)**	**(45 303)**	**(595)**	**-**	**(924 880)**	**2 903 652**
Infrastructure													
Assets under construction	3 441 461	(2 583 432)	1 742 688	-	-	2 600 717	-	-	-	-	-	-	2 600 717
Telecommunications	490 533	63 200	62 337	-	-	616 070	(39 008)	5	(33 640)	-	-	(72 643)	543 427
Drains	1 146 266	52 526	21 412	-	-	1 220 204	(411 914)	412	(43 534)	-	-	(455 036)	765 168
Roads	11 336 292	912 553	564 603	-	-	12 813 448	(3 375 155)	1 152	(397 492)	(3 416)	-	(3 774 911)	9 038 537
Beach improvements	48 208	84 943	14 242	-	-	147 393	(24 776)	(1 479)	(3 154)	-	-	(29 409)	117 984
Sewerage mains and purification	4 438 700	495 057	131 028	-	-	5 064 785	(1 562 496)	518	(243 093)	-	-	(1 805 071)	3 259 714
Security	955 513	46 798	157 689	-	(42)	1 159 958	(390 599)	(15)	(102 683)	(350)	42	(493 605)	666 353
Electricity peak load equipment and mains	9 194 213	283 237	651 002	-	-	10 128 452	(2 855 484)	(127)	(196 295)	(62)	-	(3 051 968)	7 076 484
Water mains and purification	4 113 040	127 100	364 075	-	-	4 604 215	(1 721 074)	(430)	(190 632)	(395)	-	(1 912 531)	2 691 684
Reservoirs - water	633 321	12 888	16 332	-	-	662 541	(384 890)	-	(21 211)	-	-	(406 101)	256 440
	35 797 547	**(505 130)**	**3 725 408**	**-**	**(42)**	**39 017 783**	**(10 765 396)**	**36**	**(1 231 734)**	**(4 223)**	**42**	**(12 001 275)**	**27 016 508**
Community assets													
Assets under construction	123 888	(45 008)	139 023	-	-	217 903	-	-	-	-	-	-	217 903
Parks and gardens	349 003	23 152	19 617	-	-	391 772	(57 246)	-	(12 580)	-	-	(69 826)	321 946
Libraries	299 968	(362)	2 000	-	-	301 606	(79 968)	3	(5 244)	-	-	(85 209)	216 397
Recreation facilities	5 632 038	10 022	37 784	-	(90)	5 679 754	(1 838 694)	9	(219 928)	(145)	75	(2 058 683)	3 621 071
Civic buildings	2 141 810	320 862	170 468	-	-	2 633 140	(701 816)	-	(36 391)	(551)	-	(738 758)	1 894 382
	8 546 707	**308 666**	**368 892**	**-**	**(90)**	**9 224 175**	**(2 677 724)**	**12**	**(274 143)**	**(696)**	**75**	**(2 952 476)**	**6 271 699**
Other assets													
Assets under construction	375 498	(292 885)	285 792	-	-	368 405	-	-	-	-	-	-	368 405
Buildings and land	1 262	-	-	-	-	1 262	(1 026)	-	(60)	-	-	(1 086)	176
Landfill sites	1 109 353	1 317	(11 380)	-	-	1 099 290	(582 653)	(465)	(50 141)	-	-	(633 259)	466 031
Furniture, fittings and equipment	1 072 309	9 937	86 972	-	(44 817)	1 124 401	(705 548)	(44)	(109 142)	-	41 672	(773 062)	351 339
Bins and containers	67 862	287	1 682	-	(336)	69 495	(54 987)	248	(4 834)	-	321	(59 252)	10 243
Emergency equipment	56 198	577	11 343	-	(4 839)	63 279	(39 754)	4	(4 977)	-	4 729	(39 998)	23 281
Motor vehicles and watercraft	1 189 085	(4)	278 927	-	(56 995)	1 411 013	(610 870)	-	(89 564)	(422)	46 917	(653 939)	757 074
Plant and equipment	949 309	133 176	118 987	-	(58 200)	1 143 272	(638 870)	704	(53 252)	-	55 325	(636 093)	507 179
Specialised vehicles	1 526 190	-	155 659	-	(6 159)	1 675 690	(623 861)	-	(95 125)	(352)	5 150	(714 188)	961 502
Computer equipment	2 220 836	43 597	210 356	-	(164 492)	2 310 297	(1 647 941)	(83)	(237 817)	(304)	162 175	(1 723 970)	586 327
Animals	434	-	1 164	-	(28)	1 570	(317)	-	(58)	-	26	(349)	1 221
	8 568 336	**(103 998)**	**1 139 502**	**-**	**(335 866)**	**9 267 974**	**(4 905 827)**	**364**	**(644 970)**	**(1 078)**	**316 315**	**(5 235 196)**	**4 032 778**
Service concession assets													
Buses and depots	**1 410 668**	**481**	**268**	**-**	**-**	**1 411 417**	**(455 127)**	**-**	**(116 809)**	**(4 974)**	**-**	**(576 910)**	**834 507**
Housing rental stock	**3 073 754**	**-**	**63 172**	**-**	**(21 258)**	**3 115 668**	**(941 702)**	**-**	**(97 157)**	**-**	**17 813**	**(1 021 046)**	**2 094 622**
TOTAL PPE	**60 820 837**	**(64 398)**	**5 466 727**	**-**	**(357 617)**	**65 865 549**	**(20 624 346)**	**-**	**(2 410 116)**	**(11 566)**	**334 245**	**(22 711 783)**	**43 153 766**

ANNEXURE B: Analysis of property, plant and equipment and other assets

AS AT 30 JUNE 2018 (continued)

Rand thousands

	COST						ACCUMULATED DEPRECIATION						
	Opening balance	Transfers/ adjustments	Additions [1]	Impairments	Disposals	Closing balance	Opening balance	Transfers/ adjustments	Depreciation/ Amortisation	Impairments	Disposals	Closing balance	Carrying value
Heritage assets													
Paintings and museum items	8 904	(13)	-	-	-	8 891	-	-	-	-	-	-	8 891
	8 904	**(13)**	**-**	**-**	**-**	**8 891**	**-**	**-**	**-**	**-**	**-**	**-**	**8 891**
Investment property													
Vacant land	518 180	-	-	-	-	518 180	-	-	-	-	-	-	518 180
Land and buildings	124 501	-	-	-	-	124 501	(56 254)	-	(1 714)	-	-	(57 968)	66 533
	642 681	**-**	**-**	**-**	**-**	**642 681**	**(56 254)**	**-**	**(1 714)**	**-**	**-**	**(57 968)**	**584 713**
Intangible assets													
Assets under construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of rights	561 441	-	-	-	-	561 441	(214 393)	116	(70 180)	-	-	(284 457)	276 984
Computer software	811 639	64 409	127 894	-	-	1 003 942	(479 816)	(116)	(84 985)	-	-	(564 917)	439 025
	1 373 080	**64 409**	**127 894**	**-**	**-**	**1 565 383**	**(694 209)**	**-**	**(155 165)**	**-**	**-**	**(849 374)**	**716 009**
TOTAL OTHER	**2 024 665**	**64 396**	**127 894**	**-**	**-**	**2 216 955**	**(750 463)**	**-**	**(156 879)**	**-**	**-**	**(907 342)**	**1 309 613**
GRAND TOTAL PPE AND OTHER	**62 845 502**	**(2)**	**5 594 621**	**-**	**(357 617)**	**68 082 504**	**(21 374 809)**	**-**	**(2 566 995)**	**(11 566)**	**334 245**	**(23 619 125)**	**44 463 379**

[1] *Includes the contributed assets amount of R5,72 million.*

ANNEXURE C: Disclosure of bank accounts in terms of section 125(2)(a)of the MFMA

FOR THE YEAR ENDED 30 JUNE 2018

Rand thousands

	Account numbers			
	2018	2018	2017	2016
Bank accounts held with Nedbank				
Main bank	1158667043	181 975	-	-
Salary bank	1158667078	-	-	-
Cashier's bank	1158667051	-	-	-
General income bank (primary)	1158667035	-	-	-
Traffic fines bank	1158667086	-	-	-
IRT bank	1158667094	-	-	-
Amortised cost		181 975	-	-
Bank accounts held with ABSA				
Main bank	40-5658-4470	19 598	469 968	61 936
Salary bank	40-5658-4496	-	-	-
Cashier's bank	40-5658-4527	-	-	-
General income bank	40-5658-4569	-	-	-
Traffic fines bank	40-7261-8663	-	-	-
IRT bank	40-8089-5180	8 162	-	-
Amortised cost		27 760	469 968	61 936
Amortised cost - see note 11		**209 735**	**469 968**	**61 936**
Bank accounts managed by fund managers (Nedbank)				
City of Cape Town	1151568899	226		
City of Cape Town	1151568902	5 196		
City of Cape Town	1151568910	138		
City of Cape Town	1151568929	996		
City of Cape Town	1151568937	2 569		
City of Cape Town	1151568945	945		
City of Cape Town	1151568953	592		
City of Cape Town	1151568961	111		
City of Cape Town	1151568988	182		
City of Cape Town	5500125803	-		
		10 955		
Bank accounts managed by fund managers (ABSA)				
City of Cape Town	5500125800	-	-	502
City of Cape Town	5500125801	-	481	2 431
City of Cape Town	5500125802	13	306	237
City of Cape Town	5500125804	-	1 803	1 684
City of Cape Town	5500125805	-	4 015	857
City of Cape Town	5500125806	-	574	655
City of Cape Town	5500125807	-	598	588
City of Cape Town	5500125808	8	1 081	569
City of Cape Town	5500125809	-	194	258
City of Cape Town	5500125803	-	-	95
		21	9 052	7 876
Fair value - see note 11		**10 976**	**9 052**	**7 876**
City of Cape Town - see note 11	5500125803	-	(5 298)	-
Fair value		**10 976**	**3 754**	**7 876**

ANNEXURE C: Disclosure of bank accounts in terms of section 125(2)(a)of the MFMA

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

SHORT-TERM DEBT FACILITIES

The Municipality af Cape Tawn had the fallawing shart-term debt facilities with the City's main banker:

	2018	2017
General banking facility	800 000	-
Guarantee facility (cash cavered)	100 000	-
Guarantee facility (Nan-cash cavered)	12 000	25 000
Letter af credit	16 000	10 500
Business travel card	2 000	2 000
Daylight limit	-	2 000 000

The shart-term debt facilities are reviewed annually and can be explained as fallaws:

General banking facility
This facility allaws the City ta quickly access funds shauld an immediate drawdawn inta the City's bank accaunt be required.

Guarantee facility (cash covered)
This is a facility whereby the bank will guarantee a payment ta a beneficiary an behalf af the client ta meet the abligatians between the client and the beneficiary. This facility wauld be cash cavered which means that the client pravides cash caver which is held in an interest bearing investment accaunt and is then ceded ta the bank.

Guarantee facility (Non-cash covered)
This is a facility whereby the bank will guarantee a payment ta a beneficiary an behalf af the client ta meet the abligatians between the client and the beneficiary. There is na cash required in this instance.

Letter of credit
A letter af credit is a dacument issued by the bank, assuring payment ta a seller af gaads ar services, pravided that certain dacuments have been presented ta the bank. The dacuments shauld prave that the seller has perfarmed the duties specified by an underlying cantract, and that the gaads/services have been supplied as agreed. In return far these dacuments, the beneficiary receives payment fram the bank that issued the letter.

Business travel card
The travel card facility is used far all the travel spend af the City (airfares, hatel & accammadatian, car hire, travel agent fees, farex, etc) as the main, cast-effective and reliable card payment salutian fram the City's main banker. A credit facility is laaded an the accaunt/card.

Daylight limit
A daylight limit is a facility that enables the City ta transact even if there are insufficient funds during that particular day. It entails maneys lent and advanced during that day, pravided it is settled by the end af that business day. This facility was applicable ta the City's previaus banker. The City has a similar arrangement with its current banker hawever this is nat classified as shart term debt.

ANNEXURE D: Segmental statement of financial performance

FOR THE YEAR ENDED 30 JUNE 2018

Rand thousands

BUSINESS ACTIVITIES	Actual income	Actual expenditure	(Surplus)/ deficit	Inter-departmental charges	Net (surplus)/ deficit	Grants and donations	Actual net result from operations	Budgeted net result from operations
Municipal Governance and Administration	**(17 348 174)**	**4 169 058**	**(13 179 116)**	**(5 646 146)**	**(7 532 970)**	**(8 435)**	**(7 524 535)**	**(6 403 786)**
Executive and Council	(1 192)	43 939	42 747	(353 722)	396 469	(91)	396 560	424 949
Finance and Administration	(17 346 927)	4 124 624	(13 222 303)	(5 250 575)	(7 971 728)	(8 344)	(7 963 384)	(6 874 923)
Internal Audit	(55)	495	440	(41 849)	42 289	-	42 289	46 188
Community and Public Safety	**(1 903 438)**	**7 104 949**	**5 201 511**	**1 923 204**	**3 278 307**	**(476 099)**	**3 754 406**	**3 762 029**
Community and Social Services	(121 671)	1 514 079	1 392 408	586 397	806 011	(50 453)	856 464	908 930
Sport and Recreation	(86 228)	1 684 324	1 598 096	567 909	1 030 187	(40 679)	1 070 866	1 074 433
Public Safety	(47 447)	738 792	691 345	183 556	507 789	(14 199)	521 988	568 552
Housing	(1 267 068)	1 925 837	658 769	412 062	246 707	(342 391)	589 098	478 831
Health	(381 024)	1 241 917	860 893	173 280	687 613	(28 377)	715 990	731 283
Economic and Environmental Services	**(3 250 417)**	**7 034 347**	**3 783 930**	**1 117 296**	**2 666 634**	**(720 676)**	**3 387 310**	**4 035 620**
Planning and Development	(351 698)	1 179 835	828 137	264 064	564 073	(3 351)	567 424	618 322
Road Transport	(2 890 254)	5 682 507	2 792 253	807 069	1 985 184	(717 339)	2 702 523	3 292 990
Environmental Protection	(8 465)	172 005	163 540	46 163	117 377	14	117 363	124 308
Trading Services	**(26 149 012)**	**24 977 247**	**(1 171 765)**	**2 605 646**	**(3 777 411)**	**(627 607)**	**(3 149 804)**	**(1 614 732)**
Energy Sources	(13 097 002)	12 260 245	(836 757)	2 053 451	(2 890 208)	(140 521)	(2 749 687)	(2 401 225)
Water Management	(6 261 542)	5 856 883	(404 659)	256 445	(661 104)	(222 075)	(439 029)	391 925
Waste water management	(3 271 061)	3 436 422	165 361	769 018	(603 657)	(265 011)	(338 646)	80 559
Waste management	(3 519 407)	3 423 697	(95 710)	(473 268)	377 558	-	377 558	314 009
TOTAL	**(48 651 041)**	**43 285 601**	**(5 365 440)**	**-**	**(5 365 440)**	**(1 832 817)**	**(3 532 623)**	**(220 869)**

ANNEXURE E: Disclosure of grants and subsidies in terms of section 123 of the MFMA

FOR THE YEAR ENDED 30 JUNE 2018

Rand thousands

National and Provincial grant funds 2017/18

Description	Saurce	Balance unspent at beginning of the year [1]	Current-year receipts	Adjustments	Canditians met - transferred ta revenue: Operating	Canditians met - transferred ta revenue: Capital	Interest earned	Amaunts ta be claimed	Balance unspent at the end af the year [1]
Natianal Government									
2014 African Natians Champianship	Spart and Recreatian	(2)	-	-	-	-	-	-	(2)
Accreditatian: Devalapment Suppart	State Hausing	(742)	-	-	-	-	-	-	(742)
Department af Enviranmental Affairs and Taurism	Enviranmental Affairs	(87)	(220)	-	-	-	-	-	(307)
DME - INEP	Energy	-	(5 000)	27	-	2 739	-	-	(2 234)
Emergency Disaster Relief Grant	Department af Carparate Gavernance	-	(20 813)	-	-	20 813	-	-	-
Energy Efficiency Electricity Demand Side Management	Energy	-	(10 000)	1 037	186	7 435	-	-	(1 342)
Expanded Public Warks Incentive Grant	Natianal Treasury	-	(14 183)	-	13 783	400	-	-	-
Finance Management Grant	Natianal Treasury	-	(1 050)	-	1 050	-	-	-	-
Health and Hygiene educatian: Infarmal Settlements	Water	(11)	-	-	-	-	-	-	(11)
Infrastructure Skills Devalapment	Natianal Treasury	(903)	(10 393)	149	9 614	986	-	-	(547)
Integrated City Devalapment Grant	Natianal Treasury	-	(61 263)	6 529	(4 933)	50 045	-	-	(9 622)
LGSETA: Past Graduate Internship Pragramme	Enviranmental Affairs	(66)	-	-	-	-	-	-	(66)
Municipal Disaster Grant	Department af Carparate Gavernance	-	(122 502)	10 986	-	74 383	-	-	(37 133)
Neighbaurhaad Devalapment Pragramme	Natianal Treasury	-	(2 109)	38	-	2 071	-	-	-
Peninsula Wetlands Rehabilitatian Praject	Enviranmental Affairs	(29)	(1 781)	-	1 810	-	-	-	-
Public Transpart Netwark Grant	Transpart	(17 303)	(999 524)	70 654	396 719	512 190	-	-	(37 264)
Restructuring Grant - Seed Funding	Natianal Treasury	(3 377)	-	17	-	128	-	-	(3 232)
Special Prajects	Enviranmental Affairs	-	(3 003)	-	3 003	-	-	-	-
Terrestrial Invasive Alien Plants	Enviranmental Affairs	(128)	(1 179)	52	1 255	-	-	-	-
Tirela Basha Pragramme	Public Service and Administratian	(63)	(10)	-	-	-	-	-	(73)
Urban Renewal	Natianal Treasury	(678)	-	678	-	-	-	-	-
Urban Settlement Devalapment Grant	Natianal Treasury	(112 737)	(1 318 986)	187 327	49 009	1 029 238	-	-	(166 149)
Tatal DaRA allacatian		**(136 126)**	**(2 572 016)**	**277 494**	**471 496**	**1 700 428**	**-**	**-**	**(258 724)**
2010 FIFA Warld Cup - Green Paint: Interest accaunt		(246)	-	-	-	-	-	-	(246)
LGSETA: Past Graduate Internship Pragramme: Interest accaunt		(115)	-	-	-	-	(13)	-	(128)
Natural Resaurce Management: Interest accaunt		(9)	-	-	-	-	(1)	-	(10)
Neighbaurhaad Devalapment Pragramme: Interest accaunt		(790)	-	-	-	-	(193)	-	(983)
Peninsula Wetlands Rehabilitatian Praject: Interest accaunt		(46)	-	-	57	-	(29)	-	(18)

ANNEXURE E: Disclosure of grants and subsidies in terms of section 123 of the MFMA

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

National and Provincial grant funds 2017/2018

Description	Source	Bolonce unspent ot beginning of the yeor [1]	Current-yeor receipts	Conditions met - transferred to revenue: Adjustments	Conditions met - transferred to revenue: Operoting	Conditions met - transferred to revenue: Copitol	Interest eorned	Amounts to be cloimed	Bolonce unspent ot the end of the yeor [1]
Public Transport Infrastructure Systems Grant: Interest accaunt		(229 515)	-	-	30 666	-	(15 696)	-	(214 545)
Public Transport Infrastructure Grant: Interest accaunt		(33 491)	-	-	-	(831)	(2 379)	-	(36 701)
Public Transport Netwark Grant: Interest accaunt		(32 042)	-	-	-	-	(19 308)	-	(51 350)
Public Transport Netwark Operatians Grant: Interest accaunt		(13 997)	-	-	-	-	(993)	-	(14 990)
Smart Living Handbaak: Interest accaunt		(93)	-	-	-	-	(7)	-	(100)
Special Projects		(76)	-	-	74	-	(39)	-	(41)
Terrestrial Invasive Alien Plants: Interest accaunt		(41)	-	-	37	-	(27)	-	(31)
Totol interest eorned		**(310 461)**	**-**	**-**	**30 834**	**(831)**	**(38 685)**	**-**	**(319 143)**
TOTAL NATIONAL GOVERNMENT TRANSFERS AND GRANTS		**(446 587)**	**(2 572 016)**	**277 494**	**502 330**	**1 699 597**	**(38 685)**	**-**	**(577 867)**
Province									
ABET Adult Educatian	Educatian	(4)	-	-	-	-	-	-	(4)
Accreditatian Assistance	Human Settlements	(5 483)	(5 000)	-	6 089	-	(336)	-	(4 730)
Belhar Pentech 340 Tap Structures	Human Settlements	-	-	(18 718)	18 173	-	-	-	(545)
Bakmakierie / Hazendal Infill 3	Human Settlements	(414)	-	-	-	-	-	-	(414)
Broadband	Department af the Premier	(1 621)	-	1 621	-	-	-	-	-
Browns Farm Phase 3,4,5,6	Human Settlements	(10 990)	-	-	15	-	-	-	(10 975)
Chemical Tailets in Wallacedene	Human Settlements	(34)	-	34	-	-	-	-	-
Clinics : HIV/AIDS and TB Programmes	Health	(13)	-	-	-	-	-	-	(13)
Cantributed Assets: 12 ECG Machines	Health	-	-	(352)	-	352			-
Cantributed Assets: 4 Kiasks	Cammunity Safety	-	-	(232)	-	232			-
Cammunity Residential Units	Human Settlements	(45 829)	-	42 822	-	776	-	(776)	(3 007)
Delft - The Hague Phase 2 (896)	Human Settlements	-	-	(58 529)	3 271	-	-	-	(55 258)
Delft The Hague / Raasendal Eindhaven	Human Settlements	(24 907)	-	-	16 441	-	-	-	(8 466)
Disaster Fund - Fire/Flaod Kits	Human Settlements	(6 277)	-	(20 000)	20 600	-	-	-	(5 677)
Edward Raad Energy Efficient Praject	Human Settlements	(3 316)	-	-	-	-	(236)	-	(3 552)
EHP Nyanga, Du Naan and Atlantis	Human Settlements	(10 447)	-	-	-	-	-	-	(10 447)

ANNEXURE E: Disclosure of grants and subsidies in terms of section 123 of the MFMA

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

National and Provincial grant funds 2017/18

Description	Source	Balance unspent at beginning of the year [1]	Current-year receipts	Adjustments	Canditians met - transferred ta revenue: Operating	Capital	Interest earned	Amounts ta be claimed	Balance unspent at the end of the year [1]
Emergency Funds (PGWC)	Human Settlements	-	(2 500)	-	-	-	-	-	(2 500)
Enhanced Extended Discaunt Benefit Scheme	Human Settlements	(7 378)	-	9 108	-	-	-	(1 730)	-
Eradicatian af Registratian Backlag	Human Settlements	(9 537)	-	-	4 183	-	-	-	(5 354)
Erf 160: Bays Tawn	Human Settlements	-	-	(1 478)	1 478	-	-	-	-
Establishment Grants	Human Settlements	(1 445)	-	(446)	1 102	-	(85)	-	(874)
Facilitatian Grants	Human Settlements	(806)	-	(954)	529	-	(60)	-	(1 291)
False Bay Ecalagy	Ecanamic Develapment and Taurism	(53)	-	53	-	-	-	-	-
Finance Management Suppart Grant	Treasury	-	(230)	-	230	-	(3)	-	(3)
Financial Management Capacity Building Grant	Treasury	(122)	(240)	-	-	-	(13)	-	(375)
Fire Detectian Surveillance Cameras	Human Settlements	(5)	-	5	-	-	-	-	-
Fisantekraal Garden Cities (RDP 4672 Units)	Human Settlements	-	-	(7 431)	2 234	-	-	-	(5 197)
Garden Cities/Greenville/Fisantekraal 868	Human Settlements	(19 807)	-	(19 865)	33 164	-	-	-	(6 508)
Glenhaven Sacial Hausing Praject	Human Settlements	(9 000)	-	(21 000)	-	-	-	-	(30 000)
Glabal Fund Cammunity Base Respanse Praject	Health	(92)	-	-	-	-	-	-	(92)
Glabal Fund Cammunity Based Pragramme	Health	(3 401)	-	-	-	-	(241)	-	(3 642)
Gavernment Grant Cammunity Develapment Warkers	Human Settlements	(578)	(1 036)	-	402	90	(57)	-	(1 179)
Green Paint Phase 2 Hausing	Human Settlements	(797)	-	-	61	-	-	-	(736)
Gugulethu Hausing Infill Praject	Human Settlements	(11 226)	-	(40 412)	11 377	-	-	-	(40 261)
Happy Valley - Phase 2 Tap Structures	Human Settlements	(65)	-	-	-	-	-	-	(65)
Hazendal Infill - Tap Structures	Human Settlements	(81)	-	-	37	-	-	-	(44)
HCE Manuals (Hausing Cansumer Educatian)	Human Settlements	(136)	-	-	34	-	(9)	-	(111)
Heideveld Hausing Infill	Human Settlements	(9 091)	-	(6 691)	15 469	-	-	-	(313)
HIV/AIDS Cammunity Based Response Prajects	Health	(14 702)	(207 677)	-	217 701	-	-	-	(4 678)
Hausing Settlements Develapment Grant	Human Settlements	(108 494)	(405 754)	514 248	-	-	-	-	-
IHP Westgate Mall Phase C1 and C2	Human Settlements	(2 075)	-	-	110	-	-	-	(1 965)
Infarmal Settlements	Human Settlements	(1 367)	(1 500)	227	766	-	-	-	(1 874)
Interactive Cammunity Access Netwark	Ecanamic Develapment and Taurism	(5)	-	5	-	-	-	-	-

ANNEXURE E: Disclosure of grants and subsidies in terms of section 123 of the MFMA

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

National and Provincial grant funds 2017/18

Description	Saurce	Balance unspent at beginning af the year [1]	Current-year receipts	Canditians met - transferred ta revenue: Adjustments	Canditians met - transferred ta revenue: Operating	Canditians met - transferred ta revenue: Capital	Interest earned	Amaunts ta be claimed	Balance unspent at the end af the year [1]
Jakkelsvlei Canal Upgrading	Human Settlements	(10 427)	-	-	-	-	-	-	(10 427)
Kanankap Phase 1 Tap Structures	Human Settlements	(10 340)	-	-	7 594	-	-	-	(2 746)
Khayelitsha Site C Subsidies	Human Settlements	(4 424)	-	-	-	-	(314)	-	(4 738)
Kleinvlei Phase 2	Human Settlements	(452)	-	-	56	-	-	-	(396)
Law Enfarcement Officers	Cammunity Safety	(463)	(24 234)	-	24 234	-	-	-	(463)
Law Enfarcement Officers	Human Settlements	(70)	(6 500)	-	4 020	-	(105)	-	(2 655)
Library Service: Pracurement Periadicals and Newspapers	Cultural Affairs and Spart	-	(4 500)	-	4 498	-	(182)	-	(184)
Library Metra Grant	Cultural Affairs and Spart	(380)	(10 000)	-	-	9 958	(612)	-	(1 034)
Metrapalitan Land Transpart Fund	Transpart and Public Warks	(7 650)	(26 000)	3 666	12 470	-	(234)	-	(17 748)
Mfuleni Ext 3	Human Settlements	(129)	-	129	-	-	-	-	-
Mfuleni Flaad Relief Praject	Human Settlements	(2 576)	-	2 576	-	-	-	-	-
Mitchell's Plain Infill Phase 1	Human Settlements	(4 143)	-	-	198	-	-	-	(3 945)
Mitchell's Plain TA2	Human Settlements	(276)	-	-	-	-	-	-	(276)
Markel's Cattage Strand Hausing Praject	Human Settlements	-	-	(22 022)	12 100	-	-	-	(9 922)
Marningstar Infill IRDP	Human Settlements	(4 792)	-	(14 515)	19 141	-	-	-	(166)
New Hausing Develapment Prajects	Human Settlements	-	-	(7 943)	3 088	-	-	-	(4 855)
NHBRC Enrallment Fees	Human Settlements	-	-	(16 011)	14 296	-	-	-	(1 715)
Nutritian Supplement Pragramme	Health	-	(5 429)	245	5 200	-	-	(16)	-
Occupancy Survey	Human Settlements	-	-	(13 000)	577	-	-	-	(12 423)
Pelican Park 2083 Tap Structures	Human Settlements	(8 949)	-	7 839	352	-	-	-	(758)
Peaples Hausing Praject	Human Settlements	(116 213)	-	(182 196)	209 597	-	17 273	-	(71 539)
Philippi East Tap Structures	Human Settlements	(1)	-	-	-	-	-	-	(1)
Philippi East Phase 5	Human Settlements	(597)	-	-	30	-	-	-	(567)

ANNEXURE E: Disclosure of grants and subsidies in terms of section 123 of the MFMA

FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Rand thousands

National and Provincial grant funds 2017/18

Descriptian	Saurce	Balance unspent at beginning af the year [1]	Current-year receipts	Adjustments	Canditians met - transferred ta revenue: Operating	Capital	Interest earned	Amaunts ta be claimed	Balance unspent at the end af the year [1]
Pravisian af Security Impravements at Rail Park and Ride Facilities	Transpart and Public Warks	(239)	-	244	-	-	(5)	-	-
Public Library Fund	Cultural Affairs and Spart	(3 815)	(53 299)	-	37 344	15 208	(1 348)	-	(5 910)
Rau Emoh Hausing Develapment	Human Settlements	-	-	(8 167)	5 648	2 451	(113)	-	(181)
Salt River Transitianal Hausing - Madulammaha Hausing Assaciatian	Human Settlements	-	-	(4 806)	-	4 802	-	-	(4)
Scattsdene 350 Tap Structures	Human Settlements	(5 493)	-	5 493	-	-	-	-	-
Sir Lawry's Pass Village TRA	Human Settlements	(1 389)	-	-	-	-	-	-	(1 389)
Samerset West Hausing Praject	Human Settlements	(1 848)	-	(198)	-	-	-	-	(2 046)
Sweet Hames IDA TRA	Human Settlements	(18 727)	-	-	11 610	-	-	-	(7 117)
Tamba Square	Human Settlements	(286)	-	-	-	-	-	-	(286)
TB Crisis Plan	Health	(1 351)	(26 793)	-	27 604	-	-	-	(540)
Vaccines	Health	-	(90 264)	11 924	96 299	-	-	(17 959)	-
Vrygrand	Human Settlements	(33)	-	-	-	-	-	-	(33)
Wallacedene Phase 3, 4, 5, 6, 7, 8, 9, 10	Human Settlements	(13 383)	-	1 559	845	-	-	(11)	(10 990)
TOTAL PROVINCE TRANSFERS AND GRANTS		**(528 044)**	**(870 956)**	**136 832**	**850 267**	**33 869**	**13 320**	**(20 492)**	**(385 204)**
Analysis af grants and subsidies									
Tatal Natianal Gavernment transfers and grants		**(446 587)**	**(2 572 016)**	**277 494**	**502 330**	**1 699 597**	**(38 685)**	**-**	**(577 867)**
Tatal Pravince transfers and grants		**(528 044)**	**(870 956)**	**136 832**	**850 267**	**33 869**	**13 320**	**(20 492)**	**(385 204)**
		(974 631)	**(3 442 972)**	**414 326**	**1 352 597**	**1 733 466**	**(25 365)**	**(20 492)**	**(963 071)**

[1] *The balance unspent at beginning and end af the year excludes VAT.*

ANNEXURE F: Appropriation statement

FOR THE YEAR ENDED 30 JUNE 2018

Rand thousands

	2017/18											2016/17			
	Original budget	Budget adjustments (i.t.a. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.a. s31 of the MFMA)	Virement (i.t.a. Council approved policy) R'000	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget %	Actual outcome as % of original budget %	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated audited outcome
Financial performance															
Property rates	8 662 350	32 581	8 694 931	-	-	8 694 931	8 669 308	-	-	100	100	-	-	-	-
Service charges	19 310 142	(2 125 586)	17 184 556	-	-	17 184 556	17 859 065	-	-	104	92	-	-	-	-
Investment revenue	773 657	120 000	893 657	-	-	893 657	877 984	-	-	98	113	-	-	-	-
Transfers recognised - operational	6 455 942	(1 846 190)	4 609 752	-	-	4 609 752	6 450 645	-	-	140	100	-	-	-	-
Other own revenue	2 806 001	2 481 284	5 287 285	-	-	5 287 285	3 741 543	-	-	71	133	-	-	-	-
Total revenue (excluding capital transfers and contributions)	**38 008 092**	**(1 337 911)**	**36 670 181**	**-**	**-**	**36 670 181**	**37 598 545**	**-**	**-**	**103**	**99**	**-**	**-**	**-**	**-**
Employee costs	12 050 690	(545 404)	11 505 286	-	(11 309)	11 493 977	10 865 323	-	-	95	90	-	-	-	-
Remuneration of councillors	155 787	(222)	155 565	-	-	155 565	154 923	-	-	100	99	-	-	-	-
Debt impairment	2 508 738	(17 553)	2 491 185	-	-	2 491 185	2 503 517	-	-	100	100	-	-	-	-
Depreciation and asset impairment	2 574 607	(54 470)	2 520 137	-	-	2 520 137	2 578 561	-	-	102	100	-	-	-	-
Finance charges	1 131 010	(137 466)	993 544	-	527	994 071	781 948	-	-	79	69	-	-	-	-
Materials and bulk purchases	9 730 312	194 741	9 925 053	-	31 587	9 956 640	9 345 502	-	-	94	96	-	-	-	-
Transfers and grants	140 985	273 465	414 450	-	33 110	447 560	408 037	-	-	91	289	-	-	-	-
Other expenditure	9 065 987	(658 466)	8 407 521	-	(53 915)	8 353 606	7 406 424	-	-	89	82	-	-	-	-
Total expenditure	**37 358 116**	**(945 375)**	**36 412 741**	**-**	**-**	**36 412 741**	**34 044 235**	**-**	**-**	**93**	**91**	**-**	**-**	**-**	**-**
Surplus/(deficit)	**649 976**	**(392 536)**	**257 440**	**-**	**-**	**257 440**	**3 554 310**	**-**	**-**	-	**547**	**-**	**-**	**-**	**-**
Transfers recognised - capital	2 268 835	(176 705)	2 092 130	-	-	2 092 130	1 732 882	-	-	83	77	-	-	-	-
Contributions recognised - capital and contributed assets	84 900	11 685	96 585	-	-	96 585	78 248	-	-	81	92	-	-	-	-
Surplus/(deficit) after capital transfers and contributions	**3 003 711**	**(557 556)**	**2 446 155**	**-**	**-**	**2 446 155**	**5 365 440**	**-**	**-**	**219**	**179**	**-**	**-**	**-**	**-**
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) for the year	**3 003 711**	**(557 556)**	**2 446 155**	**-**	**-**	**2 446 155**	**5 365 440**	**-**	**-**	**219**	**179**	**-**	**-**	**-**	**-**
Capital expenditure and funds sources															
Transfers recognised - capital	2 268 835	(176 705)	2 092 130	-	-	2 092 130	1 732 882	-	-	83	76	-	-	-	-
Public contributions and donations	84 900	11 685	96 585	-	-	96 585	72 532	-	-	75	85	-	-	-	-
Borrowing	2 894 482	1 105 518	4 000 000	-	-	4 000 000	2 533 155	-	-	63	88	-	-	-	-
Internally generated funds	1 727 003	(234 715)	1 492 288	-	-	1 492 288	1 265 050	-	-	85	73	-	-	-	-
Total sources of capital funds [1]	**6 975 220**	**705 783**	**7 681 003**	**-**	**-**	**7 681 003**	**5 603 619**	**-**	**-**	**73**	**80**	**-**	**-**	**-**	**-**
Cash flows															
Net cash from (used) operating	5 500 155	(448 734)	5 051 421	-	-	5 051 421	7 349 603	-	-	145	134	-	-	-	-
Net cash from (used) investing	(7 059 015)	(173 873)	(7 232 888)	-	-	(7 232 888)	(6 037 208)	-	-	83	86	-	-	-	-
Net cash from (used) financing	2 103 124	1 494 075	3 597 199	-	-	3 597 199	724 030	-	-	20	34	-	-	-	-
Cash/cash equivalents at the year end	**544 264**	**871 468**	**1 415 732**	**-**	**-**	**1 415 732**	**2 036 425**	**-**	**-**	**144**	**374**	**-**	**-**	**-**	**-**

[1] *The actual capital outcome amount does not include the contributed assets amount of R5,72 million. See appendix B.*

ANNEXURE G: Bids awarded to family of employees in service of the state - 2017

Rand thousands

Connected person	Position held in State	2017
N Abyacate	Department af Justice	63
L Arries; J Willemse	Teacher; Nurse	2 249
M Barnard	Deputy Directar: Health Department	689
M Bassan	Principal Facility Officer	244
J Badma	Metra Paramedics	281
V Batta; K Batta	Chief: Farensics; Finance: Principal Prafessian Officer	1 118
RT Bawers	Sacial warker	210
C Brawn	SABC	34
C Brynard	Cauncillar	3 003
G Buitendag	Principal Prafessianal Officer	6 608
D Burgess	Seniar Clerk	234
C Carr	Administrative Officer	228
P Christapher	Manager: Operatians	639
JP Cilliers	Special Advisar ta the Premier	327
M Daniels	Praject Administratar	119
F Davids	Clerk	1
J Davids	Department af Health	11
M Davids	Operatianal Supervisar: Driver	381
SFA Davids	Department af Educatian	2 109
W De Kack	Stellenbasch municipality	254
N Dalf	Clerk	634
A Dalft	Seniar Clerk	974
Y Ebrahim	Head: District 5	1 180
A Ellaker	Seniar Prafessianal Officer	286
C Gardan	Clerk	42
A Harding	Administrative Officer	1
C Hectar	NHRB	2 323
C Hendersan	Teacher	336
F Hendricks	Administrative Officer	988
E Hlangwane	Manager: Cleansing	26
E Ishmail	Manager: Valuatian Data and Systems	683
E Jacabs	Seniar Clerk	13 804
R Jacab; E Samaai	Fareman; Pravince	1 073
Y Jacabs; O Khan; Y Jacabs	Department af Health; Department af Defence	1 038
Z Jawaadien	Prasecutar	99
M Jahannes	Clerk	85
J Lategan	Clerk	75
T Lebesana	Transnet	81
E Lewis	Prafessianal Officer	155
L Malcalm	Fire Fighter	1
R Marais	Teacher	9 510
M Mazaza	Directar: Transpart planning	605
S Mbalampa	Cauncillar	117
SS Merile	Operatar: Small Plant	62
G Meyer; A Meyer; G Wyngaard	Manager: Suppart; Assistant Prafessianal Officer; Assistant Buyer: SCM	984
A Makupa	Administrative Officer	17
FJ Mank	Subcauncil Manager	948
MC Mshweshwe	Statutary Campliance Specialist	792
B Muller; D Muller	Department Educatian; Carrectianal Services	26
I Olifant	Farensic Pathalagy Services	87
C Olivier	Seniar Operatianal Supervisar	8
B Paul	DCAS	692
NG Payne	Principal Prafessianal Officer	2
Y Phasa	Member af Parliament	58

ANNEXURE G: Bids awarded to family of employees in service of the state – 2017 (continued)

Rand thousands

Connected person	Position held in State	2017
C Rhodo	Heod: Invosive Species Monogement	728
M Rhodes	Teocher	123
A Richords	Senior Professionol Officer	156
L Ritter	Administrotive Officer	1
D Rose	Coll Centre Agent	898
T Solomons	Speciolist Engineering	149
MN Sommy	Administrotive Officer	4
C September	Administrotive Officer	176
W Siebritz	Firefighter	38
Y Skunyono	Light Mochine Operotor	2 265
Y Spencer	Notionol Heolth Loborotory Services	23
T Steyn	Senior Professionol Officer	1 804
L Stolworthy	Principol Professionol Officer	633
N Toylor	Administrotive Officer	39
F Trom	Senior Worker	201
V von der Heever	Teocher	3 469
C von der Vendt	Senior Worker	195
J von Zyl	WCED	21
J Villet	Assistont Buyer: SCM	24
N Vlotmon	Deportment of Heolth Bishop	14
MF Votersen	Heod: Finonce Porks	2 287
B Wosserfoll	Senior Forensics Officer	975
G Willemse	Stotion Commonder	52
S Willemse; A Bell	Administrotive Officer; Senior Clerk	1 842
B Willioms	Prison Worden	141
R Wyngoord	Administrotive Officer - Tender: SCM	815
CCT ond stote owords	Members os per schedule below*	5 002
TOTAL		**78 669**

***Names of members (City and state awards)**

HC Ahlschloger	Speciol Investigotion Unit
CJ Borry	Heod: Finonce (CCT)
T Botho	Oudtshoorn Municipolity
M Skeod, Dr	Nelson Mondelo Boy Metropoliton University
WZ Erosmus	Cope Noture
HG Esterhuysen	West Coost District Municipolity
T Govender	Umngeni Woter
SM Grobbeloor	Northern Cope Deportment of Cooperotive Governonce
E Herholdt	Limpompo Deportment of Economic Development
A Heyns	Stellenbosch Municipolity
JH Higgs	SARS
A Hougoord	Deportment of Correctionol Services
J Jocobs	Eostern Cope Deportment of Educotion
B Kleynhons	Hossequo Municipolity
BJ Kriegler	Cope Winelonds District Municipolity
M Morques	Deportment of Home Affoirs
M Moyekiso,	Deportment of Locol Government ond Troditionol Affoirs
AJ Moore	Deportment of Woter Affoirs
K Nodosen	Notionol Deportment of Public Works
R Reddy-Moduroy	Development Bonk Southern Africo
S Seegers	Heod: Security Architecture(CCT)
M von Rensburg	Eskom

Glossary of Abbreviations

AFD	Agence Française de Développement
ASB	Accounting Standards Board
CCT	City of Cape Town
CID(s)	city improvement district
CMTF	Cape Metropolitan Transport Fund
COID	compensation for occupational injuries and diseases
CPI	consumer price index
CRR	capital replacement reserve
CTICC	Cape Town International Convention Centre Company SOC Limited (RF)
DB	defined benefit (scheme)
DBSA	Development Bank of Southern Africa
DC	defined-contributions (scheme)
DCAS	Department of Cultural Affairs and Sport
DMTN	domestic medium-term note
DoRA	Division of Revenue Act
FBE	free basic electricity
GRAP	Generally Recognised Accounting Practice
ICASA	Independent Communications Authority of South Africa
IDP	Integrated Development Plan
IGRAP	Interpretation of the Standards of Generally Recognised Accounting Practice
IRM	integrated risk management
IRT	integrated rapid transport
JSE	Johannesburg Stock Exchange
KCT	Khayelitsha Community Trust
Mayco	Mayoral Committee
MFMA	Local Government: Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
NACS	nominal annual compounded semi-annually
NHRB	National Health Research Board
PAYE	pay-as-you-earn
PHP	People's Housing Process
PPE	property, plant and equipment
Province	Western Cape Provincial Government
SABC	South African Broadcasting Corporation
SALA	South African Local Authorities (Pension Fund)
SALGA	South African Local Government Association
SAMWU	South African Municipal Workers Union
SARS	South African Revenue Service
SCM	supply chain management
UIF	Unemployment Insurance Fund
VAT	value-added tax
WCED	Western Cape Education Department